

BOOK II LIABILITY FOR AND AMOUNT OF THE TAX

Tax liability.

1129.2. Any corporation that is deemed, under section 1029.8.35, to have paid to the Minister an amount as partial payment of its tax payable for any given taxation year under Part I, in respect of a property that is a Québec film production, shall pay tax, for a particular taxation year, equal to the aggregate of

(a) the amount by which the aggregate of all amounts each of which is an amount it is deemed, under the said section 1029.8.35, to have so paid to the Minister in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is tax the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year, where

i. the property ceases, in the particular year, to be considered as a Québec film production by reason of the fact that the favourable advance ruling issued by the Société de développement des entreprises culturelles in respect of the property, ceases to be in force at that time and that no certificate is issued by the Société in respect of the property, or of the fact that the certificate issued by the Société in respect of the property is revoked at that time, or

ii. the particular year is the first year for which subparagraph *b* of the third paragraph of section 1029.8.35 applies in respect of the property or, where applicable, would have been such first year had the qualified expenditure for services rendered outside the Montréal area, qualified computer-aided special effects and animation expenditure or qualified labour expenditure of the corporation for the particular year in respect of the property not been nil;

(a.1) where the situations described in subparagraphs i and ii of subparagraph *a* are not encountered in the particular year in relation to the property nor have been in any preceding taxation year and the corporation ceases in the particular year to be recognized as a qualified corporation not dealing at arm's length with another corporation that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission because the Société de développement des entreprises culturelles revokes in the particular year the qualification certificate referred to in paragraph *a.3* of the definition of "qualified corporation" in the first paragraph of section 1029.8.34 that was issued to the corporation, for any given taxation year, the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.35 in respect of the property for the given taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is

required to pay under this Part in respect of the property for the given taxation year; and

(b) (*subparagraph repealed*);

(c) where the situations described in subparagraphs i and ii of subparagraph *a* or in subparagraph *a.1* are not encountered in the particular year in relation to the property and the situations described in those subparagraphs i and ii have not been encountered in any preceding taxation year, the amount determined in respect of the corporation under the second paragraph in cases where

i. in computing the amount determined under subparagraph ii of paragraph *a* or subparagraph i of paragraph *b* of the definitions of "qualified computer-aided special effects and animation expenditure", "qualified expenditure for services rendered outside the Montréal area" and "qualified labour expenditure" in the first paragraph of section 1029.8.34, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation's filing-due date for the particular year must be taken into account, for or from the particular year in respect of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year,

ii. an amount relating to an expenditure included in a qualified expenditure for services rendered outside the Montréal area, qualified computer-aided special effects and animation expenditure or qualified labour expenditure in respect of the property, or relating to production costs directly attributable to the production of the property, other than an amount of assistance to which subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation,

iii. the corporation ceases, in the particular year, to be considered as a regional corporation by reason of the fact that the Société de développement des entreprises culturelles revokes, in the particular year, the certificate issued to the corporation for any year and certifying that it qualifies for the purposes of subparagraph *a.1* of the first paragraph of section 1029.8.35,

iv. an amount relating to an expenditure for services rendered outside the Montréal area ceases, in the particular year, to be considered as attributable to services rendered in any year outside the Montréal area in relation to a regional production, by reason of a revocation by the Société de développement des entreprises culturelles, that relates to that amount indicated, by budgetary item, on a document enclosed with the advance ruling given or the certificate issued to the corporation in relation to the property,

v. an amount relating to a computer-aided special effects and animation expenditure ceases, in the particular year, to be considered as attributable to an amount paid in any year for activities related to computer-aided special effects and animation, by reason of a revocation by the Société de développement des entreprises culturelles, that relates to that amount indicated, by budgetary item, on a document enclosed with the advance ruling given or the certificate issued to the corporation in relation to the property, or

vi. the property ceases, in the particular year, to be considered as a production that receives no amount of financial assistance granted by a public body because the Société de développement des entreprises culturelles revokes, in the particular year, the certificate issued to the corporation in respect of the property for the purposes of subparagraph *c* of the first paragraph of section 1029.8.35, or assistance referred to in any of subparagraphs ii to viii.3 of subparagraph *c* of the second paragraph of section 1029.6.0.0.1 is granted, in the particular year, in respect of the property;

(d) (subparagraph repealed).

Amount.

The amount to which subparagraph *c* of the first paragraph refers, in respect of a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.35, in respect of the property, for the particular year or for a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.35, in respect of the property for the particular year or for a preceding taxation year, if

i. where subparagraph i of subparagraph *c* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation,

ii. where subparagraph ii of subparagraph *c* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred,

iii. where subparagraph iii of subparagraph *c* of the first paragraph applies, the amount that it is deemed to have paid to the Minister under subparagraph *a.1* of the first paragraph of section 1029.8.35, in respect of the property, had been equal to zero for the taxation year in respect of which the certificate is revoked,

iv. where subparagraph iv or v of subparagraph *c* of the first paragraph applies, the amount had not been indicated for the year referred to in any of those subparagraphs on the document that the Société de développement des entreprises culturelles had then enclosed with the advance ruling given or the certificate issued to the corporation in relation to the property, and

v. where subparagraph vi of subparagraph *c* of the first paragraph applies, the amount that it is deemed to have paid to the Minister in respect of the property under subparagraph *c* of the first paragraph of section 1029.8.35 had been equal to zero for a taxation year preceding the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in respect of the property, for a taxation year preceding the particular year.

Solidary liability.

Furthermore, where applicable, the corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 1992, c. 1, s. 204; 1994, c. 21, s. 50; 1994, c. 21, s. 66; O.C. 216-95; 1995, c. 1, s. 199; 1997, c. 3, s. 71; 1997, c. 14, s. 263; 1997, c. 31, s. 133; 1997, c. 85, s. 301; 1999, c. 83, s. 242; 2000, c. 39, s. 229; 2001, c. 51, s. 212; 2005, c. 23, s. 241; 2005, c. 38, s. 307; 2007, c. 12, s. 236; 2009, c. 15, s. 384; 2010, c. 5, s. 191; 2010, c. 25, s. 200; 2011, c. 1, s. 107.

BOOK III MISCELLANEOUS PROVISIONS

Deemed repayment of assistance.

1129.3. The tax paid, at any time in a taxation year, by a corporation to the Minister under this Part in respect of property is deemed, for the purposes of Part I, except section 1029.8.34, to be assistance repaid by it at that time in respect of the property pursuant to a legal obligation to repay all or any part of that assistance.

History: 1992, c. 1, s. 204; 1994, c. 22, s. 343; 1997, c. 3, s. 71.

Provisions applicable.

1129.4. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1992, c. 1, s. 204; 1993, c. 19, s. 143; 1993, c. 64, s. 187; 1995, c. 49, s. 236; 1995, c. 63, s. 261.

PART III.1.0.1**SPECIAL TAX RELATING TO THE CREDIT FOR FILM DUBBING****Definitions:**

1129.4.0.1. In this Part,

“qualified film dubbing expenditure”;

“qualified film dubbing expenditure” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.0.0.1;

“qualified production”.

“qualified production” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.1.

History: 1999, c. 83, s. 243; 2001, c. 51, s. 228; 2007, c. 12, s. 304.

Tax payable.

1129.4.0.2. Every corporation that, in relation to the production of a property that is a qualified production, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.2, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(a) the amount by which the aggregate of all amounts each of which is tax that the corporation is deemed to have so paid to the Minister, under that section 1029.8.36.0.0.2, in respect of the production of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is tax that the corporation is required to pay under this Part in respect of the production of the property for a year preceding the particular year, where the Société de développement des entreprises culturelles revokes in the particular year a certificate it has issued to the corporation in respect of the property; or

(b) where subparagraph *a* does not apply in the particular year or in any preceding taxation year, in relation to the production of the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under subparagraph ii of paragraph *a* of the definition of “qualified film dubbing expenditure” in the first paragraph of section 1029.8.36.0.0.1, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the production of the property, and the expenditure to which the assistance is attributable or relates was incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified film dubbing expenditure in respect of the property,

other than the amount of an assistance to which subparagraph *i* applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.2, in respect of the production of the property for the particular year or for a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.2, in respect of the property for the particular year or for a preceding taxation year, if

i. where subparagraph *i* of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph *i* had been received by the corporation, the other person or the partnership in the year during which the expenditure to which the assistance is attributable or relates was incurred by the corporation, and

ii. where subparagraph *ii* of subparagraph *b* of the first paragraph applies, every amount referred to in that subparagraph *ii* had been refunded, paid or allocated in the year during which the expenditure to which that amount is attributable was incurred; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in respect of the property, for a taxation year preceding the particular year.

Solidary liability.

Furthermore, where applicable, a corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 1999, c. 83, s. 243; 2004, c. 21, s. 450; 2007, c. 12, s. 237; 2010, c. 25, s. 201.

Assistance deemed repaid.

1129.4.0.3. The tax paid to the Minister by a corporation at any time in a taxation year under this Part in relation to the production of a property that is a qualified production is deemed, for the purposes of Part I, except section 1029.8.36.0.0.1, to be an amount of assistance repaid by the corporation at that time in respect of the production of

the property pursuant to a legal obligation to repay all or any part of that amount of assistance.

History: 1999, c. 83, s. 243.

Provisions applicable.

1129.4.0.4. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 243.

PART III.1.0.2 SPECIAL TAX RELATING TO THE FILM PRODUCTION SERVICES CREDIT

Definitions.

1129.4.0.5. In this Part, “computer-aided special effects and animation expenditure”, “eligible production costs”, “labour cost attributable to computer-aided special effects and animation”, “qualified computer-aided special effects and animation expenditure”, “qualified labour cost attributable to computer-aided special effects and animation”, “qualified labour expenditure”, “qualified low-budget production”, and “qualified production” have the meaning assigned by section 1029.8.36.0.0.4.

History: 1999, c. 83, s. 243; 2001, c. 51, s. 228; 2005, c. 23, s. 242; 2007, c. 12, s. 304; 2010, c. 25, s. 202.

Tax liability.

1129.4.0.6. Every corporation that, in relation to a property that is a qualified production or a qualified low-budget production, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.5, on account of its tax payable under Part I for any given taxation year shall pay, for a particular taxation year, a tax equal to

(*a*) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.5, to have so paid to the Minister in respect of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as a qualified production or a qualified low-budget production because the favourable advance ruling given in respect of the property by the Société de développement des entreprises culturelles is revoked at that time;

(*a.1*) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the property, and the corporation ceases in the particular year to be recognized as a qualified corporation not dealing at arm’s

length with another corporation that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission because the Société de développement des entreprises culturelles revokes in the particular year the qualification certificate referred to in paragraph *f* of the definition of “excluded corporation” in the first paragraph of section 1029.8.36.0.0.4 that was issued to the corporation, for any given taxation year, the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.5 in respect of the property for the given taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for the given taxation year; and

(*b*) where subparagraphs *a* and *a.1* do not apply in the particular year, in relation to the property, and subparagraph *a* does not apply in a preceding taxation year, in relation to the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under paragraph *b* of the definitions of “qualified computer-aided special effects and animation expenditure” and “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.0.4, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the property, and the expenditure to which the assistance is attributable or relates was incurred by the corporation in a taxation year preceding the particular year,

i.1. in computing the amount determined under the fourth or fifth paragraph of section 1029.8.36.0.0.4, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for the particular year in respect of the property, and the costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year,

ii. an amount relating to an expenditure included in the qualified labour cost attributable to computer-aided special effects and animation, a qualified computer-aided special effects and animation expenditure, a qualified labour expenditure or eligible production costs in respect of the property, other than the amount of assistance to which subparagraph *i* or *i.1* applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or

iii. an amount relating to the labour cost attributable to computer-aided special effects and animation or to a computer-aided special effects and animation expenditure ceases, in the particular year, to be considered as attributable to an amount paid in any year for activities related to computer-aided special effects and animation, by reason of a revocation by the Société de développement des entreprises culturelles, that relates to that amount indicated, by budgetary item, on a document enclosed with the advance ruling given to the corporation in relation to the property.

Tax payable.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.5 in respect of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.5 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure to which the assistance is attributable or relates was incurred by the corporation,

i.1. where subparagraph i.1 of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i.1 had been received by the corporation, the other person or the partnership in the year during which the costs to which the assistance is attributable or relates were incurred by the corporation,

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the costs or expenditure to which the amount is attributable were incurred, and

iii. where subparagraph iii of subparagraph *b* of the first paragraph applies, the amount had not been indicated for the year referred to in that subparagraph iii on the document that the Société de développement des entreprises culturelles had enclosed at that time with the advance ruling given to the corporation in relation to the property; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Solidary liability.

Furthermore, where applicable, the corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 1999, c. 83, s. 243; 2005, c. 23, s. 243; 2005, c. 38, s. 308; 2007, c. 12, s. 238; 2009, c. 15, s. 385; 2010, c. 5, s. 192; 2010, c. 25, s. 203.

Assistance deemed repaid.

1129.4.0.7. The tax paid to the Minister by a corporation at any time in a taxation year under this Part in relation to a property that is a qualified production or a qualified low-budget production is deemed, for the purposes of Part I, except section 1029.8.36.0.0.4, to be an amount of assistance repaid by the corporation at that time in respect of the property pursuant to a legal obligation to repay all or any part of the amount of assistance.

History: 1999, c. 83, s. 243.

Provisions applicable.

1129.4.0.8. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 243.

PART III.1.0.3

SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF SOUND RECORDINGS

Definitions:

1129.4.0.9. In this Part,

“*qualified labour expenditure*”;

“qualified labour expenditure” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.0.0.7;

“*qualified property*”.

“qualified property” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.7.

History: 2000, c. 39, s. 230; 2001, c. 51, s. 228; 2007, c. 12, s. 239.

Tax payable.

1129.4.0.10. Every corporation that, in relation to the production of a property that is a qualified property, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.8, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(a) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under

this Part in respect of the production of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.8, to have so paid to the Minister in respect of the production of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as a qualified property by reason of the fact that the favourable advance ruling given by the Société de développement des entreprises culturelles in respect of the property ceases to be in force at that time and that no certificate is issued by the Société in respect of the property, or of the fact that the certificate issued by the Société in respect of the property is revoked at that time; and

(b) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the production of the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under subparagraph ii of paragraph *a* or subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.0.7, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the production of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified labour expenditure in respect of the property, or to production costs directly attributable to the production of the property, other than an amount of assistance to which subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.8 in respect of the production of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.8 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation, and

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Solidary tax liability.

Furthermore, where applicable, every corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 2000, c. 39, s. 230; 2005, c. 23, s. 244; 2007, c. 12, s. 240; 2010, c. 25, s. 204.

Deemed repayment of

1129.4.0.11. For the purposes of Part I, except for Division II.6.0.0.3 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under section 1129.4.0.10, in relation to an expenditure that is included in a qualified labour expenditure of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property, pursuant to a legal obligation to repay all or any part of that amount of assistance.

History: 2000, c. 39, s. 230; 2001, c. 51, s. 213.

Provisions applicable.

1129.4.0.12. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 230.

PART III.1.0.4

SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF PERFORMANCES

Definitions:

1129.4.0.13. In this Part,

“qualified labour expenditure”;

“qualified labour expenditure” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.0.0.10;

“qualified performance”.

“qualified performance” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.10.

History: 2000, c. 39, s. 230; 2001, c. 51, s. 228; 2007, c. 12, s. 304.

Tax payable.

1129.4.0.14. Every corporation that, in relation to the production of a property that is a qualified performance, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.11, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(a) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the production of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.11, to have so paid to the Minister in respect of the production of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as a qualified performance by reason of the fact that the favourable advance ruling given by the Société de développement des entreprises culturelles in respect of the property ceases to be in force at that time and that no certificate is issued by the Société in respect of the property, or of the fact that the certificate issued by the Société in respect of the property is revoked at that time; and

(b) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the production of the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under subparagraph ii of paragraph *a* or subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.0.10, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the production of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified labour expenditure in respect of the property or to the production costs directly attributable to the production of the property, other than an amount of assistance to which

subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.11 in respect of the production of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.11 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation, and

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Solidary tax liability.

Furthermore, where applicable, every corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 2000, c. 39, s. 230; 2005, c. 23, s. 245; 2007, c. 12, s. 241; 2010, c. 25, s. 205.

Deemed repayment of.

1129.4.0.15. For the purposes of Part I, except for Division II.6.0.0.4 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under section 1129.4.0.14, in relation to an expenditure that is included in a qualified labour expenditure of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property, pursuant to a legal obligation to do so.

History: 2000, c. 39, s. 230.

Provisions applicable.

1129.4.0.16. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 230.

PART III.1.0.4.1**SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF MULTIMEDIA EVENTS OR ENVIRONMENTS PRESENTED OUTSIDE QUÉBEC****Definitions.**

1129.4.0.16.1. In this Part, “qualified labour expenditure” and “qualified production” have the meaning assigned by section 1029.8.36.0.0.12.1.

History: 2013, c. 10, s. 154.

Tax payable.

1129.4.0.16.2. Every corporation that, in relation to the production of a property that is a qualified production, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.12.2, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(a) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the production of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.12.2, to have so paid to the Minister in respect of the production of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as a qualified production because the favourable advance ruling given in respect of the property by the Société de développement des entreprises culturelles ceases at that time to be in force and no qualification certificate is issued in respect of the property by the Société, or because the qualification certificate issued in respect of the property by the Société is revoked at that time; and

(b) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the production of the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amount determined under subparagraph ii of paragraph *a*, or subparagraph i of paragraph *b*, of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.0.12.1, government assistance or

non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the production of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified labour expenditure in respect of the property or to production costs directly attributable to the production of the property, other than the amount of assistance to which subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.12.2 in respect of the production of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.12.2 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation, and

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Solidary liability.

Furthermore, where applicable, the corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 2013, c. 10, s. 154.

Deemed repayment of assistance.

1129.4.0.16.3. For the purposes of Part I, except Division II.6.0.0.4.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under section 1129.4.0.16.2, in relation to an expenditure that is included in a qualified labour expenditure of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of a property that is a qualified production, pursuant to a legal obligation.

History: 2013, c. 10, s. 154.

Provisions applicable.

1129.4.0.16.4. Unless otherwise provided in this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 154.

PART III.1.0.5**SPECIAL TAX RELATING TO THE CREDIT FOR BOOK PUBLISHING****Meaning of certain expressions.**

1129.4.0.17. In this Part, “eligible digital version”, “eligible group of works”, “eligible work”, “qualified labour expenditure attributable to preparation costs and digital version publishing costs” and “qualified labour expenditure attributable to printing and reprinting costs” have the meaning assigned by section 1029.8.36.0.0.13.

History: 2001, c. 51, s. 214; 2005, c. 23, s. 246; 2007, c. 12, s. 304; 2010, c. 25, s. 206; 2011, c. 34, s. 114.

Tax payable.

1129.4.0.18. Every corporation that, in relation to a property that is an eligible work or an eligible group of works, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.14, on account of its tax payable under Part I for any taxation year shall pay, for a particular taxation year, a tax equal to

(a) the amount by which the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year is exceeded by the aggregate of all amounts each of which is an amount that the corporation is deemed, under section 1029.8.36.0.0.14, to have so paid to the Minister in respect of the property for a year preceding the particular year, where the property ceases, in the particular year, to be considered as an eligible work or an eligible group of works by reason of the fact that the favourable advance ruling given by the Société de développement des entreprises culturelles in respect of the property ceases to be in force at that time and that no

certificate is issued by the Société in respect of the property, or of the fact that the certificate issued by the Société in respect of the property is revoked at that time;

(b) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the property, the amount determined in respect of the corporation under the second paragraph where

i. in computing the amounts determined under subparagraph ii of paragraph *a* or subparagraph i of paragraph *b* of the definitions of “qualified labour expenditure attributable to preparation costs and digital version publishing costs” and “qualified labour expenditure attributable to printing and reprinting costs” in the first paragraph of section 1029.8.36.0.0.13, government assistance or non-government assistance that the corporation, another person or a partnership has received, is entitled to receive or may reasonably expect to receive, on or before the corporation’s filing-due date for the particular year, must be taken into account for or from the particular year in respect of the property, and the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation in a taxation year preceding the particular year, or

ii. an amount relating to an expenditure included in a qualified labour expenditure attributable to preparation costs and digital version publishing costs or qualified labour expenditure attributable to printing and reprinting costs in respect of the property, or an amount relating to printing and reprinting costs directly attributable to the printing and reprinting of the property or to preparation costs and digital version publishing costs directly attributable to the preparation of the property and the publishing of an eligible digital version relating to the property, other than an amount of assistance to which subparagraph i applies, is, during the particular taxation year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount.

The amount to which subparagraph *b* of the first paragraph refers, in relation to a property, is equal, for the corporation, to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.14 in respect of the property for the particular year or a preceding taxation year, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.0.0.14 in respect of the property for the particular year or for a preceding taxation year if

i. where subparagraph i of subparagraph *b* of the first paragraph applies, the assistance referred to in that

subparagraph i had been received by the corporation, the other person or the partnership in the year during which the expenditure or costs to which the assistance is attributable or relates were incurred by the corporation, and

ii. where subparagraph ii of subparagraph *b* of the first paragraph applies, any amount referred to in that subparagraph ii had been refunded, paid or allocated in the year during which the expenditure or costs to which the amount is attributable were incurred; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year.

Tax liability.

Furthermore, where applicable, every corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 2001, c. 51, s. 214; 2004, c. 21, s. 451; 2005, c. 23, s. 247; 2007, c. 12, s. 242; 2010, c. 25, s. 207; 2011, c. 34, s. 115.

Assistance deemed repaid.

1129.4.0.19. For the purposes of Part I, except for Division II.6.0.0.5 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under section 1129.4.0.18, in relation to an expenditure that is included in a qualified labour expenditure attributable to preparation costs and digital version publishing costs of the corporation or a qualified labour expenditure attributable to printing and reprinting costs of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property, pursuant to a legal obligation to repay all or any part of that amount of assistance.

History: 2001, c. 51, s. 214; 2011, c. 34, s. 116.

Provisions applicable.

1129.4.0.20. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2001, c. 51, s. 214.

PART III.1.0.6 SPECIAL TAX RELATING TO THE CREDIT FOR THE CREATION OF DIGITAL PRODUCTIONS

Definitions:

1129.4.0.21. In this Part,

“acquisition costs”;

“acquisition costs” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.16;

“eligible digital production”;

“eligible digital production” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.16;

“qualified labour expenditure”;

“qualified labour expenditure” has the meaning assigned by section 1029.8.36.0.0.16;

“qualified property”;

“qualified property” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.16;

“rental expenses”.

“rental expenses” has the meaning assigned by the first paragraph of section 1029.8.36.0.0.16.

History: 2002, c. 40, s. 248; 2007, c. 12, s. 304.

Tax payable.

1129.4.0.22. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.0.19 or 1029.8.36.0.0.20, on account of its tax payable under Part I, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to an expenditure included in a qualified labour expenditure of the corporation, or acquisition costs incurred or rental expenses paid by the corporation in respect of qualified property is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.0.0.19, 1029.8.36.0.0.20, 1029.8.36.0.0.26 and 1029.8.36.0.0.27, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of those sections, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in a qualified labour expenditure of the corporation, or acquisition costs incurred or rental expenses paid by the corporation, were refunded, paid or allocated in the taxation year in which the corporation incurred the expenditure to which the amount refunded, paid or allocated relates, or incurred the acquisition costs or paid the rental expenses to which that amount relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 2002, c. 40, s. 248.

Amount deemed refunded.

1129.4.0.23. For the purposes of section 1129.4.0.22, the amount determined in the second paragraph, in relation to a particular expenditure included in the qualified labour expenditure of the corporation for a particular taxation year in respect of an eligible digital production, is deemed to be refunded to the corporation in a subsequent taxation year, in this section referred to as the "repayment year", in which Investissement Québec revokes, in whole or in part, the certificate that was issued for the particular year to the corporation in respect of the eligible digital production.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the portion of the particular expenditure that may reasonably be attributed to the part of the certificate that is revoked, exceeds the aggregate of all amounts each of which is an amount relating to the portion of the particular expenditure that, in a taxation year preceding the repayment year but subsequent to the particular year, was refunded, otherwise paid or allocated to a payment to be made by the corporation.

Exception.

No tax is payable for a taxation year under section 1129.4.0.22, in respect of any amount that is refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation, if that amount is included in an amount that is deemed to have been refunded, under this section, in that taxation year or in a preceding taxation year.

History: 2002, c. 40, s. 248.

Amount deemed refunded.

1129.4.0.24. For the purposes of section 1129.4.0.22, the amount determined in the second paragraph, in relation to the acquisition costs incurred by the corporation in a particular taxation year in respect of qualified property or rental expenses paid by the corporation in the particular year in respect of such property, is deemed to be refunded to the corporation in a subsequent taxation year, in this section referred to as the "repayment year", in which Investissement Québec revokes the certificate that was issued in respect of the property.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the aggregate of acquisition costs incurred by the corporation in the particular year and on the effective date specified in the notice of revocation or subsequently, or

the aggregate of rental expenses paid by the corporation in the particular year and on that effective date or subsequently, exceeds the aggregate of all amounts each of which is an amount relating to those costs or expenses that, in a taxation year preceding the repayment year but subsequent to the particular year, was refunded, otherwise paid or allocated to a payment to be made by the corporation.

Exception.

No tax is payable for a taxation year under section 1129.4.0.22, in respect of any amount that is refunded or otherwise paid to the corporation, or is allocated to a payment to be made by the corporation, if that amount is included in an amount that is deemed to have been refunded, under this section, in that taxation year or a preceding taxation year.

History: 2002, c. 40, s. 248.

Deemed repayment of assistance.

1129.4.0.25. For the purposes of Part I, except for Division II.6.0.0.6 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under section 1129.4.0.22, in relation to an expenditure or property, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure or property, pursuant to a legal obligation.

History: 2002, c. 40, s. 248.

Provisions applicable.

1129.4.0.26. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 40, s. 248.

PART III.1.1

SPECIAL TAX RELATING TO THE CREDIT FOR MULTIMEDIA TITLES (PART 1)

Definitions:

1129.4.1. In this Part,

“*eligible operating receipts*”;

“eligible operating receipts” has the meaning assigned by section 1029.8.36.0.1;

“*labour expenditure*”;

“labour expenditure” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.0.1;

“*multimedia title*”;

“multimedia title” has the meaning assigned by section 1029.8.36.0.1;

“qualified labour expenditure”.

“qualified labour expenditure” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.0.1.

History: 1997, c. 14, s. 264; 1999, c. 83, s. 245; 2001, c. 51, s. 228; 2002, c. 40, s. 249; 2007, c. 12, s. 304.

Tax liability.

1129.4.2. Any corporation that is deemed, under section 1029.8.36.0.2, to have paid to the Minister an amount as partial payment of its tax payable for any taxation year under Part I, in respect of a property that is a multimedia title, shall pay tax, for a particular taxation year, equal to the aggregate of the following amounts:

(a) the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed, under the said section 1029.8.36.0.2, to have so paid to the Minister in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is tax the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year, where Investissement Québec revokes in the particular year a certificate issued to the corporation in respect of the property;

(b) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year and, for the particular year and in respect of the property, Investissement Québec issues a certificate to replace a certificate previously issued to the corporation and, under the terms of the new certificate, the aggregate of the amounts the corporation is deemed to have paid to the Minister under paragraphs *a* and *b* of section 1029.8.36.0.2 for a preceding year exceeds the aggregate of the amounts the corporation would have been deemed to have paid to the Minister under those paragraphs for such a year if the amounts entered on the replaced certificate had been the amounts entered on the new certificate, the part of that excess amount that exceeds the aggregate of all amounts each of which is tax the corporation is required to pay under this Part in respect of the property for a year preceding the particular year and that is attributable to an amount the corporation is deemed to have paid to the Minister under paragraphs *a* and *b* of section 1029.8.36.0.2 for a taxation year preceding the particular year;

(c) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year, and Investissement Québec revokes in the particular year the part of the certificate issued to the corporation in respect of the property attesting that the multimedia title is both available in French and intended for the consumer market, the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister under paragraph *b* of section 1029.8.36.0.2 in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is the portion of tax the

corporation is required to pay under this Part, otherwise than under this subparagraph, for the particular year or a preceding taxation year and that is attributable to an amount the corporation is deemed to have so paid to the Minister in respect of the property under paragraph *b* of that section 1029.8.36.0.2 for a taxation year preceding the particular year;

(d) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year, and Investissement Québec revokes in the particular year a document validating the operating receipts issued to the corporation in respect of the property, the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister under paragraph *c* of section 1029.8.36.0.2 in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is the portion of tax the corporation is required to pay under subparagraph *e* in respect of the property for a taxation year preceding the particular year, that is attributable to an amount the corporation is deemed to have so paid to the Minister in respect of the property under that paragraph *c* for a taxation year preceding the particular year;

(e) where subparagraphs *a* and *d* do not apply, in the particular year in respect of the property or in any preceding taxation year and, in the particular year, Investissement Québec issues a document validating the operating receipts to replace such a document previously issued to the corporation and, under the terms of the new document, the aggregate of the amounts the corporation is deemed to have paid to the Minister under paragraph *c* of section 1029.8.36.0.2 for a taxation year preceding the particular year exceeds the aggregate of the amounts the corporation would be deemed to have paid to the Minister under that paragraph for such a year if the amounts entered on the replaced document had been the amounts entered on the new document, the part of that excess amount that exceeds the aggregate of all amounts each of which is the portion of tax the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year and that is attributable to an amount the corporation is deemed to have paid to the Minister under paragraph *c* of section 1029.8.36.0.2 for a taxation year preceding the particular year;

(f) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year and, for the particular year and in respect of the property, the amount determined under subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.1 exceeds the aggregate determined under subparagraph i of paragraph *a* of that definition, an amount equal to the aggregate of

i. the lesser of

(1) 20% of that excess amount, where the assistance is attributable to a labour expenditure of the corporation for a taxation year ending before 18 April 1997 in relation to the property, or 25% of that excess amount, where the amount of assistance is attributable to a labour expenditure of the corporation for a taxation year ending after 17 April 1997 in relation to the property, and

(2) the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed to have so paid to the Minister under paragraph *a* of section 1029.8.36.0.2 in respect of the property for a taxation year preceding the particular year exceeds the aggregate of all amounts each of which is the portion of tax the corporation is required to pay under this Part in respect of the property for a taxation year preceding the particular year and that is attributable to an amount the corporation is deemed to have paid to the Minister in respect of the property under that paragraph *a* for a taxation year preceding the particular year, and

ii. where a certificate has been issued in respect of the property attesting that the multimedia title is both available in French and intended for the consumer market, and where subparagraph *c* does not apply in the particular year or in a preceding taxation year, the lesser of

(1) 20% of the excess amount referred to in the portion of this subparagraph before subparagraph i, and

(2) the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed to have so paid to the Minister under paragraph *b* of section 1029.8.36.0.2 in respect of the property for a taxation year preceding the particular year exceeds the aggregate of all amounts each of which is the portion of tax the corporation is required to pay under this Part, in respect of the property, for a taxation year preceding the particular year and that is attributable to an amount the corporation is deemed to have paid to the Minister in respect of the property under that paragraph *b* for a taxation year preceding the particular year;

(g) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year, and the particular year is subsequent to the taxation year in which the final certificate in respect of the property is issued to the corporation, the corporation has received, is entitled to receive, or may reasonably expect to receive on or before its filing-due date for the particular year in respect of the property any government assistance or non-government assistance attributable, as labour expenditure, production costs or both, to a qualified labour expenditure of the corporation in a taxation year preceding the particular year and which, had that assistance been received in the preceding year, would have been taken into account in computing the qualified labour expenditure and, because of that assistance, the aggregate of the amounts the corporation is deemed to have paid to the Minister under paragraphs *a* and *b* of

section 1029.8.36.0.2 for a taxation year preceding the particular year exceeds the aggregate of the amounts the corporation would have been deemed to have paid to the Minister under those paragraphs for such a year, the part of that excess amount that exceeds the aggregate of all amounts each of which is tax the corporation is required to pay under this subparagraph in respect of the property for a taxation year preceding the particular year; and

(h) where subparagraph *a* does not apply, in the particular year or in any preceding taxation year in respect of the property, a document validating the operating receipts is not issued to the corporation in the particular year in respect of the property, that particular year is subsequent to a taxation year in which such a document was issued in respect of the property, the corporation has received, is entitled to receive, or may reasonably expect to receive on or before its filing-due date for the particular year in respect of the property any government assistance or non-government assistance attributable to production costs of the corporation in a taxation year preceding the particular year and which, had the assistance been received in the preceding year, would have been taken into account in computing the eligible operating receipts of the corporation for that preceding year and, because of that assistance, the aggregate of the amounts the corporation is deemed to have paid to the Minister under paragraph *c* of section 1029.8.36.0.2 for a taxation year preceding the particular year exceeds the aggregate of the amounts the corporation would have been deemed to have paid to the Minister under that paragraph for such a year, the part of that excess amount that exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay because of this subparagraph in respect of the property for a taxation year preceding the particular year.

Solidary liability.

Furthermore, where applicable, a corporation that controls, directly or indirectly in any manner whatever, the corporation referred to in the first paragraph is liable, solidarily with that corporation, for payment of the tax under the first paragraph.

History: 1997, c. 14, s. 264; 1997, c. 31, s. 134; 1998, c. 17, s. 64; 1999, c. 83, s. 246; 2001, c. 51, s. 215; 2001, c. 69, s. 12; 2007, c. 12, s. 243.

Repayment of assistance.

1129.4.2.1. For the purposes of Part I, tax paid to the Minister by a corporation at any time, under section 1129.4.2, in relation to property, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property, pursuant to a legal obligation.

History: 1999, c. 83, s. 247; 2001, c. 7, s. 169; 2009, c. 15, s. 386.

Provisions applicable.

1129.4.3. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549,

sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1997, c. 14, s. 264.

PART III.1.1.1

SPECIAL TAX RELATING TO THE CREDIT FOR MULTIMEDIA TITLES (PART 2)

Definitions:

1129.4.3.1. In this Part,

“eligible production costs”;

“eligible production costs” has the meaning assigned by section 1029.8.36.0.3.3;

“multimedia title”;

“multimedia title” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.3;

“qualified labour expenditure”.

“qualified labour expenditure” has the meaning assigned by section 1029.8.36.0.3.3.

History: 1999, c. 83, s. 248; 2002, c. 40, s. 250; 2007, c. 12, s. 304.

Tax payable.

1129.4.3.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.4, on account of its tax payable under Part I, in relation to a property that is a multimedia title, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to an expenditure included in computing a qualified labour expenditure of the corporation in respect of the property, or its eligible production costs in respect of the property, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.4, in relation to the property, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, in relation to the property, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in computing a qualified labour expenditure of the corporation in respect of the property, or its eligible production costs in respect of the property, were refunded, paid or allocated in the taxation year in which the corporation incurred the expenditure to which the amount refunded, paid or allocated relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the property.

History: 1999, c. 83, s. 248; 2002, c. 40, s. 251.

Repayment of assistance.

1129.4.3.3. For the purposes of Part I, the tax that a corporation pays to the Minister at any time under section 1129.4.3.2 in relation to a property is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property pursuant to a legal obligation.

History: 1999, c. 83, s. 248; 2001, c. 7, s. 169; 2009, c. 15, s. 387.

Provisions applicable.

1129.4.3.4. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 248.

PART III.1.1.2

SPECIAL TAX RELATING TO THE CREDIT FOR MULTIMEDIA TITLES (GENERAL)

Definitions:

1129.4.3.5. In this Part,

“multimedia title”;

“multimedia title” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.8;

“qualified labour expenditure”.

“qualified labour expenditure” has the meaning assigned by section 1029.8.36.0.3.8.

History: 1999, c. 83, s. 248; 2007, c. 12, s. 304.

Tax payable.

1129.4.3.6. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.9, on account of its tax payable under Part I for a particular taxation year, in relation to its qualified labour expenditure for the particular year in respect of a property that is a multimedia title, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which

(a) an amount relating to an expenditure included in computing the qualified labour expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) government assistance or non-government assistance is received by a person or partnership and the assistance would

have reduced, in accordance with paragraph *b* of section 1029.8.36.0.3.10.1, the amount of a portion of a consideration included in computing the qualified labour expenditure, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation's filing-due date for the particular taxation year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.9 or 1029.8.36.0.3.11, in relation to its qualified labour expenditure for the particular year in respect of the property, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.9 or 1029.8.36.0.3.11, in relation to the qualified labour expenditure, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to an expenditure included in computing the qualified labour expenditure, were refunded, paid or allocated in the particular year, and

ii. every government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or partnership at or before the end of the repayment year, were received in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified labour expenditure.

History: 1999, c. 83, s. 248; 2002, c. 40, s. 252; 2009, c. 5, s. 521.

Repayment of assistance.

1129.4.3.7. For the purposes of Part I, other than Division II.6.0.1.2 of Chapter III.1 of Title III of Book IX, the tax that a corporation pays to the Minister at any time under section 1129.4.3.6 in relation to a property is deemed to be an amount of assistance repaid by the corporation at that time in respect of the property pursuant to a legal obligation.

History: 1999, c. 83, s. 248; 2001, c. 7, s. 169.

Provisions applicable.

1129.4.3.8. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and

sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 248.

PART III.1.1.3

SPECIAL TAX RELATING TO THE CREDIT FOR CORPORATIONS SPECIALIZED IN THE PRODUCTION OF MULTIMEDIA TITLES

Definition.

1129.4.3.9. In this Part, “qualified labour expenditure” has the meaning assigned by section 1029.8.36.0.3.18.

History: 1999, c. 83, s. 248; 2007, c. 12, s. 244.

Tax payable.

1129.4.3.10. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.19, on account of its tax payable for a particular taxation year under Part I, in relation to its qualified labour expenditure for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which

(a) an amount relating to an expenditure included in computing the qualified labour expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) government assistance or non-government assistance is received by a person or partnership and the assistance would have reduced, in accordance with paragraph *b* of section 1029.8.36.0.3.21, the amount of a portion of a consideration included in computing the qualified labour expenditure, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation's filing-due date for the particular taxation year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.19 or 1029.8.36.0.3.22, in relation to its qualified labour expenditure for the particular year, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.19 or 1029.8.36.0.3.22, in relation to the qualified labour expenditure, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to an expenditure included in computing the qualified labour

expenditure, were refunded, paid or allocated in the particular year, and

ii. every government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or partnership at or before the end of the repayment year, were received in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified labour expenditure.

History: 1999, c. 83, s. 248; 2002, c. 40, s. 253; 2009, c. 5, s. 522.

Repayment of assistance.

1129.4.3.11. For the purposes of Part I, other than Division II.6.0.1.3 of Chapter III.1 of Title III of Book IX, the tax that a corporation pays to the Minister at any time under section 1129.4.3.10 in relation to an expenditure included in a qualified labour expenditure of the corporation is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure pursuant to a legal obligation.

History: 1999, c. 83, s. 248; 2001, c. 7, s. 169.

Provisions applicable.

1129.4.3.12. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 248.

PART III.1.1.4

(Repealed).

1129.4.3.13. *(Repealed).*

History: 1999, c. 83, s. 248; 2000, c. 39, s. 231; 2001, c. 51, s. 228; 2003, c. 9, s. 389.

1129.4.3.14. *(Repealed).*

History: 1999, c. 83, s. 248; 2002, c. 40, s. 254; 2003, c. 9, s. 389.

1129.4.3.15. *(Repealed).*

History: 1999, c. 83, s. 248; 2000, c. 39, s. 232.

1129.4.3.16. *(Repealed).*

History: 1999, c. 83, s. 248; 2000, c. 39, s. 233; 2001, c. 7, s. 169; 2003, c. 9, s. 389.

1129.4.3.17. *(Repealed).*

History: 1999, c. 83, s. 248; 2003, c. 9, s. 389.

PART III.1.1.5

(Repealed).

1129.4.3.18. *(Repealed).*

History: 2000, c. 39, s. 234; 2001, c. 51, s. 228; 2003, c. 9, s. 389.

1129.4.3.19. *(Repealed).*

History: 2000, c. 39, s. 234; 2002, c. 40, s. 255; 2003, c. 9, s. 389.

1129.4.3.20. *(Repealed).*

History: 2000, c. 39, s. 234; 2003, c. 9, s. 389.

1129.4.3.21. *(Repealed).*

History: 2000, c. 39, s. 234; 2003, c. 9, s. 389.

PART III.1.1.6

SPECIAL TAX RELATING TO THE CREDIT FOR THE CORPORATIONS ESTABLISHED IN E-COMMERCE PLACE

Definitions:

1129.4.3.22. In this Part,

“*eligible employee*”;

“*eligible employee*” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.46;

“*qualified wages*”;

“*qualified wages*” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.46;

“*wages*”.

“*wages*” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.46.

History: 2002, c. 9, s. 122; 2007, c. 12, s. 304.

Tax payable.

1129.4.3.23. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.48, on account of its tax payable for a particular taxation year under Part I, or that would be deemed to have paid such an amount to the Minister under section 1029.8.36.0.3.48 if it were read without reference to the fourth and fifth paragraphs thereof, in relation to qualified wages incurred in the particular year in respect of an eligible employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which

is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.48 or 1029.8.36.0.3.57, or would be deemed to have paid to the Minister under either of those sections if section 1029.8.36.0.3.48 were read without reference to the fourth and fifth paragraphs thereof, and section 1029.8.36.0.3.57 were read without reference to the second paragraph thereof, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.48 if it were read without reference to the fourth and fifth paragraphs thereof, or under section 1029.8.36.0.3.57 if it were read without reference to the second paragraph thereof, in relation to the qualified wages and, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

Exception.

However, no tax is payable under this section if section 1129.4.3.23.1 applies in respect of the qualified wages for the repayment year or for a preceding taxation year.

History: 2002, c. 9, s. 122; 2002, c. 40, s. 256.

Tax payable.

1129.4.3.23.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.48, on account of its tax payable for a taxation year under Part I, or that would be deemed to have paid such an amount to the Minister under section 1029.8.36.0.3.48 if it were read without reference to the fourth and fifth paragraphs thereof, in relation to qualified wages incurred in the taxation year in respect of an eligible employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “particular year”, in which Investissement Québec revokes a qualification certificate issued for the taxation year to the corporation for the purposes of Division II.6.0.1.6 of Chapter III.1 of Title III of Book IX of Part I.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.48 or 1029.8.36.0.3.57, or would be deemed to have paid to the

Minister under either of those sections if section 1029.8.36.0.3.48 were read without reference to the fourth and fifth paragraphs thereof, and section 1029.8.36.0.3.57 were read without reference to the second paragraph thereof, in relation to the qualified wages, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.3.23 for a taxation year preceding the particular year, in relation to the qualified wages.

History: 2002, c. 40, s. 257; 2004, c. 21, s. 452.

Repayment of assistance.

1129.4.3.24. For the purposes of Part I, except Division II.6.0.1.6 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.4.3.23 or 1129.4.3.23.1, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

History: 2002, c. 9, s. 122; 2002, c. 40, s. 258.

Provisions applicable.

1129.4.3.25. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 9, s. 122.

PART III.1.1.7

SPECIAL TAX RELATING TO THE CREDIT FOR E-BUSINESS ACTIVITIES

Definitions:

1129.4.3.26. In this Part,

“*base period*”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.60;

“*eligibility period*”;

“eligibility period” has the meaning assigned by section 1029.8.36.0.3.60;

“*eligible employee*”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.60;

“*recognized business*”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.60;

“*salary or wages*”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.60.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2003, c. 9, s. 390; 2004, c. 21, s. 453; 2007, c. 12, s. 304.

Tax payable.

1129.4.3.27. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.61 or 1029.8.36.0.3.62, on account of the corporation's tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister under section 1029.8.36.0.3.61 or 1029.8.36.0.3.62, in relation to the salaries or wages for the taxation year, where Investissement Québec revokes, in the particular year, a qualification certificate issued to the corporation in relation to the recognized business for the purposes of Division II.6.0.1.7 of Chapter III.1 of Title III of Book IX of Part I, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages, for a taxation year preceding the particular year.

History: 2003, c. 9, s. 390.

Amount in relation to salaries or wages.

1129.4.3.28. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.61 or 1029.8.36.0.3.62, on account of the corporation's tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to 35% of the aggregate of the following amounts, except where section 1129.4.3.27 applies in relation to the salaries or wages for the taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.0.3.61, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/35 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/35 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.0.3.63 that

relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.0.3.63 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.0.3.63 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/35 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(*d*) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.0.3.61 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.0.3.61 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied;

(*e*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied; and

(*f*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *a* of section 1029.8.36.0.3.63 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.0.3.62 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.0.3.63 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

if the amount determined pursuant to section 1029.8.36.0.3.63 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied.

Revocation of qualification certificate.

For the purposes of subparagraphs *d* to *f* of the first paragraph, where Investissement Québec revokes in the particular taxation year the qualification certificate issued, for the purposes of Division II.6.0.1.7 of Chapter III.1 of Title III of Book IX of Part I, to the corporation in relation to an eligible employee for a pay period of a calendar year within its eligibility period, in relation to a recognized business, the amount of the salary or wages paid by a corporation to that employee is deemed to be refunded to the corporation in the particular taxation year.

History: 2003, c. 9, s. 390; 2004, c. 21, s. 454.

Deemed repayment of assistance.

1129.4.3.29. For the purposes of Part I, except for Division II.6.0.1.7 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2003, c. 9, s. 390.

Provisions applicable.

1129.4.3.30. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.0.3.66 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2003, c. 9, s. 390.

PART III.1.1.8

SPECIAL TAX RELATING TO THE CREDIT FOR MAJOR EMPLOYMENT-GENERATING PROJECTS

Definitions:

1129.4.3.31. In this Part,

“eligible contract”;

“eligible contract” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.72;

“eligible employee”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.72;

“qualified wages”;

“qualified wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.72;

“wages”.

“wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.72.

History: 2006, c. 13, s. 209; 2007, c. 12, s. 304.

Tax payable.

1129.4.3.32. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.73, on account of its tax payable for a taxation year under Part I, in relation to qualified wages incurred in the taxation year in respect of an eligible employee, in relation to an eligible contract, shall pay the tax computed under the second paragraph for a subsequent taxation year, in this section referred to as the “particular year”, in which Investissement Québec revokes a qualification certificate issued to the corporation, in relation to the eligible contract, for the purposes of Division II.6.0.1.8 of Chapter III.1 of Title III of Book IX of Part I.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.73 or 1029.8.36.0.3.76, in relation to qualified wages incurred in respect of an eligible employee, in relation to the eligible contract, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.3.33 for a taxation year preceding the particular year, in relation to the qualified wages.

History: 2006, c. 13, s. 209.

Tax payable.

1129.4.3.33. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.73, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the taxation year in respect of an eligible employee, in relation to an eligible contract, shall pay the tax computed under the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.73 or 1029.8.36.0.3.76, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, under section 1029.8.36.0.3.73 or 1029.8.36.0.3.76, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

Deemed refund.

If Investissement Québec revokes, in any given taxation year, a qualification certificate issued, for the purposes of Division II.6.0.1.8 of Chapter III.1 of Title III of Book IX of Part I and in relation to an eligible contract, to a corporation in respect of an employee and in relation to all or part of a preceding taxation year, the amount relating to the wages included in computing the qualified wages incurred by the corporation in respect of the employee, for all or part of the preceding taxation year and in relation to the eligible contract, is, for the purposes of the first and second paragraphs, deemed to be refunded to the corporation in the given taxation year.

Exception.

However, no tax is payable under this section if section 1129.4.3.32 applies in respect of the qualified wages for the repayment year or a preceding taxation year.

History: 2006, c. 13, s. 209; 2006, c. 36, s. 227; 2007, c. 12, s. 245.

Repayment of assistance.

1129.4.3.34. For the purposes of Part I, except Division II.6.0.1.8 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.4.3.32 or 1129.4.3.33, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

History: 2006, c. 13, s. 209.

Provisions applicable.

1129.4.3.35. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024,

subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2006, c. 13, s. 209.

PART III.1.1.9**SPECIAL TAX RELATING TO THE CREDIT FOR THE DEVELOPMENT OF E-BUSINESS****Interpretation.**

1129.4.3.36. In this Part, “eligible employee”, “qualified wages” and “wages” have the meaning assigned by the first paragraph of section 1029.8.36.0.3.79.

History: 2009, c. 15, s. 388.

Tax payable.

1129.4.3.37. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.80, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.80 or 1029.8.36.0.3.82, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.80 or 1029.8.36.0.3.82, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2009, c. 15, s. 388.

Deemed repayment of assistance.

1129.4.3.38. For the purposes of Part I, except Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX,

tax paid at any time by a corporation to the Minister under section 1129.4.3.37, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

History: 2009, c. 15, s. 388.

Provisions applicable.

1129.4.3.39. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2009, c. 15, s. 388.

PART III.1.1.10

SPECIAL TAX RELATING TO THE CREDIT FOR MAJOR DIGITAL TRANSFORMATION PROJECTS

Definitions.

1129.4.3.40. In this Part, “eligible digitization activity”, “eligible digitization contract”, “eligible employee”, “qualified wages” and “wages” have the meaning assigned by the first paragraph of section 1029.8.36.0.3.84.

History: 2017, c. 29, s. 213.

Tax payable following revocation of certificate.

1129.4.3.41. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.85, on account of its tax payable for a taxation year under Part I, in relation to qualified wages incurred in respect of an eligible employee in connection with an eligible digitization contract, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “particular year”) in which the certificate that was issued to the corporation in respect of the eligible digitization contract is revoked because the corporation no longer satisfies the condition of paragraph 5 of section 17.4 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1).

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is tax the corporation is required to pay to the Minister under section 1129.4.3.42 for a taxation year that precedes the particular year in relation to qualified wages incurred in respect of an eligible employee in connection with the eligible digitization contract is exceeded by the amount obtained by applying the percentage specified in the third paragraph to the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the

Minister under section 1029.8.36.0.3.85 or 1029.8.36.0.3.86 for a taxation year in relation to such qualified wages.

Percentage.

The percentage to which the second paragraph refers is

(a) unless any of subparagraphs *b* to *e* applies, 100%;

(b) 80%, where the failure to satisfy the condition referred to in the first paragraph occurs in the fourth year following the time the eligible digitization activities provided for in the eligible digitization contract began to be carried out;

(c) 60%, where the failure to satisfy the condition referred to in the first paragraph occurs in the fifth year following the time the eligible digitization activities provided for in the eligible digitization contract began to be carried out;

(d) 40%, where the failure to satisfy the condition referred to in the first paragraph occurs in the sixth year following the time the eligible digitization activities provided for in the eligible digitization contract began to be carried out; or

(e) 20%, where the failure to satisfy the condition referred to in the first paragraph occurs in the seventh year following the time the eligible digitization activities provided for in the eligible digitization contract began to be carried out.

History: 2017, c. 29, s. 213.

Tax payable on refund or payment of an amount related to qualified wages.

1129.4.3.42. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.85, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.85 or 1029.8.36.0.3.86, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.85 or 1029.8.36.0.3.86, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or

allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2017, c. 29, s. 213.

Deemed repayment of assistance.

1129.4.3.43. For the purposes of Part I, except Division II.6.0.1.10 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.4.3.41 or 1129.4.3.42, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

History: 2017, c. 29, s. 213.

Provisions applicable to this Part.

1129.4.3.44. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2017, c. 29, s. 213.

PART III.1.1.11

SPECIAL TAX RELATING TO THE CREDIT FOR THE DIGITAL TRANSFORMATION OF PRINT MEDIA

Definitions :

1129.4.3.45. In this Part,

“eligibility period”;

“eligibility period” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“eligible digital conversion activity”;

“eligible digital conversion activity” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“eligible digital conversion contract”;

“eligible digital conversion contract” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“eligible digital conversion costs”;

“eligible digital conversion costs” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“eligible media”;

“eligible media” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“establishment”;

“establishment” has the meaning assigned by section 1;

“qualified expenditure”;

“qualified expenditure” has the meaning assigned by section 1029.8.36.0.3.88;

“qualified property”;

“qualified property” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88;

“qualified wages”.

“qualified wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.88.

Deemed eligible media.

In this Part, a print media is deemed to be an eligible media for a particular period that follows the last day of the eligibility period, if the conditions of section 18.4 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) are met in its respect for that period.

History: 2019, c. 14, s. 442.

Tax payable in relation to the eligible digital conversion costs of a corporation.

1129.4.3.46. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.96, on account of its tax payable under Part I for a particular taxation year, in relation to its eligible digital conversion costs for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount that relates to qualified wages, incurred by the corporation, that are included in the eligible digital conversion costs, or to costs that are taken into consideration in computing a qualified expenditure of the corporation that is included in the eligible digital conversion costs is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

Amount of the tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.96 or 1029.8.36.0.3.102, in relation to the eligible digital conversion costs, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.96 or 1029.8.36.0.3.102, in relation to the eligible digital conversion costs, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to such qualified wages or to costs that are taken into consideration in computing such a qualified expenditure, had been refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this

section for a taxation year preceding the repayment year, in relation to the eligible digital conversion costs.

Exception.

However, the tax payable under this section must be computed without reference to any amount relating to costs taken into consideration in computing a qualified expenditure of the corporation that are acquisition costs for a qualified property in respect of which section 1129.4.3.47 applies for the repayment year or applied for a preceding taxation year.

History: 2019, c. 14, s. 442.

Tax payable.

1129.4.3.47. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.96, on account of its tax payable under Part I, in relation to a portion of its eligible digital conversion costs that corresponds to the portion of a qualified expenditure of the corporation that relates to the acquisition costs of a qualified property that the corporation incurred, shall pay the tax computed under the second paragraph for a particular taxation year if, at any time in the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used exclusively or almost exclusively by the corporation, on the one hand, to carry out eligible digital conversion activities that relate, in whole or in part, to an eligible media of the corporation and, on the other hand, in an establishment of the corporation situated in Québec in which the eligible media is produced or from which it is disseminated.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.96 or 1029.8.36.0.3.102, in relation to such a portion of its eligible digital conversion costs, exceeds the aggregate of all amounts each of which is the portion of a tax that the corporation is required to pay to the Minister under section 1129.4.3.46, for a taxation year preceding the particular year, that may reasonably be attributed to such a portion of its eligible digital conversion costs.

Period.

The period to which the first paragraph refers is the period that begins on the day after the corporation's filing-due date for the taxation year preceding the particular year and ends on the earlier of

- (a) the 730th day of the period that begins on the date of the acquisition of the property by the corporation; and
- (b) the corporation's filing-due date for the particular year.

Presumption.

For the purposes of the first paragraph, where, at any time, a corporation disposes of a qualified property for proceeds of disposition equal to or greater than 10% of the cost of acquiring it, the corporation is deemed not to have ceased to use, at that time, the property by reason of its obsolescence; in that respect, where the parties to the sale are not dealing with each other at arm's length, the proceeds of disposition of the property are deemed to be equal to its fair market value.

History: 2019, c. 14, s. 442.

Tax payable in relation to the eligible digital conversion costs of a partnership.

1129.4.3.48. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.97, on account of the corporation's tax payable under Part I for a particular taxation year, in relation to the partnership's eligible digital conversion costs for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount that relates to qualified wages, incurred by the partnership, that are included in the eligible digital conversion costs, or to costs that are taken into consideration in computing a qualified expenditure of the partnership that is included in the eligible digital conversion costs is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the corporation or partnership.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.3.97, 1029.8.36.0.3.103 and 1029.8.36.0.3.104, in relation to the eligible digital conversion costs, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.3.97, 1029.8.36.0.3.103 and 1029.8.36.0.3.104, for a taxation year, in relation to the eligible digital conversion costs, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to such qualified wages or to costs that are taken into consideration in computing such a qualified expenditure, had been refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible digital conversion costs, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Exception.

However, the tax payable under this section must be computed without reference to any amount relating to costs that are taken into consideration in computing a qualified expenditure of the partnership that are acquisition costs for a qualified property in respect of which section 1129.4.3.49 applies for the fiscal period of repayment or applied for a preceding fiscal period.

History: 2019, c. 14, s. 442.

Tax payable.

1129.4.3.49. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister for a taxation year, under section 1029.8.36.0.3.97, on account of its tax payable under Part I, in relation to the portion of the partnership's eligible digital conversion costs, for the partnership's fiscal period that ends in the year, that corresponds to the portion of a qualified expenditure of the partnership that relates to the acquisition costs of a qualified property that it incurred, shall pay the tax computed under the second paragraph for a particular taxation year if, at any time in the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used exclusively or almost exclusively by the partnership, on the one hand, to carry out eligible digital conversion activities that relate, in whole or in part, to an eligible media of the partnership and, on the other hand, in an establishment

of the partnership situated in Québec in which the eligible media is produced or from which it is disseminated.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.0.3.97, 1029.8.36.0.3.103 and 1029.8.36.0.3.104, in relation to such a portion of the partnership's eligible digital conversion costs for a fiscal period, exceeds the aggregate of all amounts each of which is the portion of a tax that the corporation is required to pay to the Minister under section 1129.4.3.48, for a taxation year preceding the particular year, that may reasonably be attributed to such a portion of the partnership's eligible digital conversion costs.

Period.

The period to which the first paragraph refers is the period that begins on the day after the corporation's filing-due date for the taxation year preceding the particular year and ends on the earlier of

(a) the 730th day of the period that begins on the date of the acquisition of the property by the partnership; and

(b) the corporation's filing-due date for the particular year.

Presumption.

For the purposes of the first paragraph, where, at any time, a partnership disposes of a qualified property for proceeds of disposition equal to or greater than 10% of the cost of acquiring it, the partnership is deemed not to have ceased to use, at that time, the property by reason of its obsolescence.

History: 2019, c. 14, s. 442.

Presumption.

1129.4.3.50. For the purposes of Part I, except Division II.6.0.1.11 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.4.3.46 or 1129.4.3.47 in relation to its eligible digital conversion costs is deemed to be an amount of assistance repaid at that time by the corporation in respect of wages or an expenditure included in those eligible digital conversion costs, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.4.3.48 or 1129.4.3.49 in relation to the eligible digital conversion costs of a partnership referred to in that section is deemed to be an amount of assistance repaid at that time by the partnership in respect of wages or an expenditure included in those eligible digital conversion costs, pursuant to a legal obligation.

History: 2019, c. 14, s. 442.

Provisions applicable.

1129.4.3.51. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2019, c. 14, s. 442.

PART III.1.2

(Repealed).

1129.4.4. *(Repealed).*

History: 1997, c. 85, s. 302; 1999, c. 83, s. 249; 2000, c. 39, s. 235; 2001, c. 51, s. 228; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

1129.4.4.1. *(Repealed).*

History: 1999, c. 83, s. 250; 2000, c. 39, s. 236; 2002, c. 40, s. 259; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

1129.4.4.2. *(Repealed).*

History: 2002, c. 40, s. 260; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

1129.4.4.3. *(Repealed).*

History: 2002, c. 40, s. 260; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

1129.4.5. *(Repealed).*

History: 1997, c. 85, s. 302; 2000, c. 39, s. 237; 2002, c. 40, s. 261; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

1129.4.6. *(Repealed).*

History: 1997, c. 85, s. 302; 2003, c. 9, s. 391 [amended by 2004, c. 21, s. 554].

PART III.1.3**SPECIAL TAX RELATING TO THE DEVELOPMENT OF THE NEW ECONOMY****Definitions:**

1129.4.7. In this Part,

“acquisition costs”;

“acquisition costs” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“Centre national des nouvelles technologies de Québec”;

“Centre national des nouvelles technologies de Québec” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“Cité du multimédia”;

“Cité du multimédia” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“eligible employee”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“eligible facility”;

“eligible facility” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“eligible rental expenses”;

“eligible rental expenses” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“information technology development centre”;

“information technology development centre” has the meaning assigned by section 771.1;

“qualified centre”;

“qualified centre” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“qualified property”;

“qualified property” has the meaning assigned by section 1029.8.36.0.17;

“qualified wages”;

“qualified wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“rental expenses”;

“rental expenses” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“specified employee”;

“specified employee” has the meaning assigned by the first paragraph of section 1029.8.36.0.17;

“specified wages”;

“specified wages” has the meaning assigned by section 1029.8.36.0.17;

“wages”.

“wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.17.

History: 2000, c. 39, s. 238; 2001, c. 51, s. 228; 2003, c. 9, s. 392; 2007, c. 12, s. 304.

Tax payable.

1129.4.8. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.19 or 1029.8.36.0.20, on account of its tax payable under Part I for a particular taxation year, in relation to qualified wages paid to an eligible employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax referred to in the first paragraph is equal to the amount by which the aggregate of all amounts each of which

is an amount that the corporation is deemed to have paid to the Minister under that section 1029.8.36.0.19 or 1029.8.36.0.20 or under section 1029.8.36.0.30, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, under that section 1029.8.36.0.19 or 1029.8.36.0.20 or under section 1029.8.36.0.30, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the taxation year, in this section referred to as the “payment year”, in which the corporation paid the wages to which the amount refunded, paid or allocated relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

Transitional rules.

In addition, if a corporation carried on or could carry on its business in an information technology development centre in a particular taxation year that begins before 21 December 2001 for which the corporation is deemed to have paid an amount to the Minister in relation to qualified wages under section 1029.8.36.0.5 or 1029.8.36.0.5.1, as it read for the particular year, the first and second paragraphs apply, in respect of an amount relating to wages included in computing the qualified wages that is, directly or indirectly, refunded, paid or allocated, having regard to the following rules:

(a) the references to sections 1029.8.36.0.19, 1029.8.36.0.20 and 1029.8.36.0.30, wherever they appear in the portion of this section before subparagraph *b* of the second paragraph, shall be read respectively as references to sections 1029.8.36.0.5, 1029.8.36.0.5.1 and 1029.8.36.0.10, as they formerly read for the particular year; and

(b) subparagraph *b* of the second paragraph shall be read as follows:

“(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister in relation to the qualified wages for a taxation year preceding the repayment year, under this section or under section 1129.4.4.1, as it read for that preceding taxation year.”

“eligible employee” and “qualified wages”.

Notwithstanding section 1129.4.7, the expressions “eligible employee” and “qualified wages” have, in this section, the meaning assigned by section 1129.4.4, as it read for the payment year, if

(a) the third paragraph applies; or

(b) the payment year begins before 21 December 2001 and the corporation carried on or could carry on its business in an information technology development centre in the particular taxation year referred to in the first paragraph.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 262; 2003, c. 9, s. 393.

Tax payable.

1129.4.9. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.22, on account of its tax payable under Part I for a particular taxation year, in relation to specified wages incurred in the particular year in respect of a specified employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the specified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.22 or 1029.8.36.0.31, in relation to the specified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.22 or 1029.8.36.0.31, in relation to the specified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the specified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the specified wages.

Transitional rules.

In addition, if a corporation carried on or could carry on its business in the Cité du multimédia or the Centre national des nouvelles technologies de Québec in a particular taxation year that begins before 21 December 2001 for which the corporation is deemed to have paid an amount to the Minister in relation to qualified wages under section 1029.8.36.0.3.30 or 1029.8.36.0.3.40, as it read for the particular year, the first and second paragraphs apply, in respect of an amount relating to wages included in computing the qualified wages that is, directly or indirectly, refunded, paid or allocated, having regard to the following rules:

(a) the references to sections 1029.8.36.0.22 and 1029.8.36.0.31, wherever they appear in the portion of this

section before subparagraph *b* of the second paragraph, shall be read respectively as references to

i. sections 1029.8.36.0.3.30 and 1029.8.36.0.3.35, as they formerly read for the particular year, where the corporation carried on or could carry on its business in the Cité du multimédia in the particular year, or

ii. sections 1029.8.36.0.3.40 and 1029.8.36.0.3.43, as they formerly read for the particular year, where the corporation carried on or could carry on its business in the Centre national des nouvelles technologies de Québec in the particular year;

(*b*) the expressions “specified wages” and “specified employee”, wherever they appear in the portion of this section before subparagraph *b* of the second paragraph, shall be read respectively as “qualified wages” and “eligible employee”, having the meaning assigned by

i. section 1129.4.3.13, as it read for the particular year, where the corporation carried on or could carry on its business in the Cité du multimédia in the particular year, or

ii. section 1129.4.3.18, as it read for the particular year, where the corporation carried on or could carry on its business in the Centre national des nouvelles technologies de Québec in the particular year; and

(*c*) subparagraph *b* of the second paragraph shall be read as follows:

“(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister in relation to the qualified wages for a taxation year preceding the repayment year, under this section or under section 1129.4.3.14 or 1129.4.3.19, as it read for that preceding taxation year.”

“qualified wages”.

Notwithstanding section 1129.4.7, the expression “qualified wages” in the portion of the third paragraph before subparagraph *a* has the meaning assigned by section 1129.4.3.13 or 1129.4.3.18, as it read for the particular year, according to whether the corporation carried on or could carry on its business in the particular year in the Cité du multimédia or in the Centre national des nouvelles technologies de Québec.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 262; 2003, c. 9, s. 394.

Tax payable.

1129.4.10. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.25, on account of its tax payable under Part I, in relation to acquisition costs incurred in respect of qualified property or rental expenses paid in respect of such property, shall pay the tax referred to in the second paragraph for a taxation year, in

this section referred to as the “repayment year”, in which an amount relating to the acquisition costs or rental expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.25 or 1029.8.36.0.32, in relation to the acquisition costs or rental expenses, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.25 or 1029.8.36.0.32, in relation to the acquisition costs or rental expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the costs or expenses, were refunded, paid or allocated in the taxation year during which the corporation incurred the acquisition costs or paid the rental expenses to which the amount refunded, paid or allocated relates; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the acquisition costs or rental expenses.

Transitional version.

In addition, if a corporation carried on or could carry on its business in an information technology development centre in a particular taxation year that begins before 21 December 2001 for which the corporation is deemed to have paid an amount to the Minister in respect of acquisition costs or rental expenses under section 1029.8.36.0.6, as it read for the particular year, the first and second paragraphs, subject to the fourth paragraph, shall be read as follows:

“**1129.4.10.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.6 or 1029.8.36.0.25, on account of its tax payable under Part I, in relation to acquisition costs incurred in respect of qualified property or rental expenses paid in respect of such property, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to the acquisition costs or rental expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister in relation to the acquisition costs or rental expenses, under section 1029.8.36.0.6 or 1029.8.36.0.11 or

under section 1029.8.36.0.25 or 1029.8.36.0.32, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister in relation to the acquisition costs or rental expenses, under section 1029.8.36.0.6 or 1029.8.36.0.11 or under section 1029.8.36.0.25 or 1029.8.36.0.32, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the costs or expenses, were refunded, paid or allocated in the taxation year during which the corporation incurred the acquisition costs or paid the rental expenses to which the amount refunded, paid or allocated relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister in relation to the acquisition costs or rental expenses for a taxation year preceding the repayment year, under this section or under section 1129.4.4.2, as it read for that preceding taxation year.”

Applicable version of certain sections.

In the text of the first and second paragraphs of this section enacted by the third paragraph, a reference to section 1029.8.36.0.6 or 1029.8.36.0.11 shall be a reference to that section as it read for a taxation year in which an amount is deemed to have been paid under that section.

Exception.

However, no tax is payable under this section if, for the repayment year, section 1129.4.10.1 applies in respect of the property or if, for a preceding taxation year, that section or section 1129.4.4.3, as it read for that preceding taxation year, applied in respect of the property.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 262; 2003, c. 9, s. 395.

Tax payable.

1129.4.10.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.25, on account of its tax payable under Part I, in relation to acquisition costs incurred in respect of qualified property, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “particular year”, if, at any time in the period described in the third paragraph the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used by the corporation principally in a qualified centre.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.25 or 1029.8.36.0.32,

in relation to the acquisition costs, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.10, for a taxation year preceding the particular year, in relation to the acquisition costs.

Interpretation.

The period to which the first paragraph refers is the period that begins the day after the corporation’s filing-due date for the taxation year preceding the particular year and ends on the earlier of the last day of the three-year period following the beginning of the use of the property by the corporation and the corporation’s filing-due date for the particular year.

Transitional version.

In addition, if a corporation carried on or could carry on its business in an information technology development centre in a taxation year that begins before 21 December 2001 for which the corporation is deemed to have paid an amount to the Minister in respect of acquisition costs or rental expenses under section 1029.8.36.0.6, as it read for that taxation year, the first and second paragraphs, subject to the fifth paragraph, shall be read as follows:

“**1129.4.10.1.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.6 or 1029.8.36.0.25, on account of its tax payable under Part I, in relation to acquisition costs incurred in respect of qualified property, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “particular year”, if, at any time in the period described in the third paragraph the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used by the corporation principally in an information technology development centre.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister in relation to the acquisition costs, under section 1029.8.36.0.6 or 1029.8.36.0.11 or under section 1029.8.36.0.25 or 1029.8.36.0.32, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister in relation to the acquisition costs, for a taxation year preceding the particular year, under section 1129.4.10 or under section 1129.4.4.2, as it read for that preceding taxation year.”

Applicable version of certain sections.

In the text of the first and second paragraphs of this section enacted by the fourth paragraph, a reference to section 1029.8.36.0.6 or 1029.8.36.0.11 shall be a reference to that section as it read for a taxation year in which an amount is deemed to have been paid under that section.

Presumption.

For the purposes of this section, where, at any time, a corporation disposes of qualified property for proceeds of disposition equal to or greater than 10% of the cost of acquiring it, the corporation is deemed not to have ceased to use, at that time, the property by reason of its obsolescence; in that respect, where the parties to the sale are not dealing with each other at arm's length, the proceeds of disposition of the property are deemed to be equal to its fair market value.

History: 2002, c. 40, s. 263; 2003, c. 9, s. 396; 2004, c. 21, s. 455; 2007, c. 12, s. 246.

Tax payable.

1129.4.10.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.25.1, on account of its tax payable under Part I, in relation to the eligible rental expenses incurred in respect of an eligible facility, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to the eligible rental expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.25.1 or 1029.8.36.0.32.1, in relation to the eligible rental expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.25.1 or 1029.8.36.0.32.1, in relation to the eligible rental expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible rental expenses, were refunded, paid or allocated in the taxation year in which the corporation incurred the eligible rental expenses to which the amount refunded, paid or allocated relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible rental expenses.

History: 2003, c. 9, s. 397.

Amount deemed refunded to a corporation.

1129.4.10.3. For the purposes of section 1129.4.10.2, the amount determined in accordance with the second paragraph, in relation to the eligible rental expenses incurred by the corporation in a particular taxation year in respect of an

eligible facility, is deemed to be refunded to the corporation in a subsequent taxation year, in this section referred to as the “repayment year”, in which Investissement Québec revokes the certificate it had issued in respect of the facility.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the aggregate of the eligible rental expenses incurred by the corporation in the particular taxation year and on or after the effective date specified in the notice of revocation, exceeds the aggregate of all amounts each of which is an amount relating to the expenses that, in a taxation year preceding the repayment year but subsequent to the particular year, was refunded, otherwise paid or allocated to a payment to be made by the corporation.

Priority to amount deemed refunded.

No tax is payable for a taxation year under section 1129.4.10.2 in respect of any amount that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, if that amount is included in an amount that is deemed to have been refunded, under this section, in that taxation year or in a preceding taxation year.

History: 2003, c. 9, s. 397.

Repayment of assistance.

1129.4.11. For the purposes of Part I, except for Division II.6.0.3 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under any of sections 1129.4.8 to 1129.4.10.2, in relation to an expenditure or property, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure or property, pursuant to a legal obligation.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 264; 2003, c. 9, s. 398.

Provisions applicable.

1129.4.12. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 238.

**PART III.1.3.1
(Repealed).****1129.4.12.1. (Repealed).**

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.2. (Repealed).

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.3. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.4. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.5. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.6. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.7. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.8. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

1129.4.12.9. *(Repealed).*

History: 2002, c. 9, s. 123; 2003, c. 9, s. 399.

PART III.1.4**SPECIAL TAX RELATING TO THE CREDIT FOR WAGES IN CONNECTION WITH THE CREATION OF THE INTERNATIONAL TRADE ZONE AT MIRABEL****Definitions:****1129.4.13.** In this Part,**“eligible employee”;**

“eligible employee” has the meaning assigned by section 1029.8.36.0.38;

“qualified wages”;

“qualified wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.38;

“wages”.

“wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.38.

History: 2000, c. 39, s. 238; 2001, c. 51, s. 228; 2007, c. 12, s. 304.

Tax payable.

1129.4.14. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.40, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular year in respect of an eligible employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.40 or 1029.8.36.0.49, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.40 or 1029.8.36.0.49, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 265.

Tax payable.

1129.4.15. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.43, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred by the partnership, in respect of an eligible employee, in a particular fiscal period of the partnership that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.43, 1029.8.36.0.50 and 1029.8.36.0.51, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.43, 1029.8.36.0.50 and 1029.8.36.0.51, for a taxation year, in relation to the qualified wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in

relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 265; 2006, c. 36, s. 228; 2009, c. 15, s. 389.

Deemed repayment of assistance.

1129.4.16. For the purposes of Part I, except for Division II.6.0.4 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a corporation at any time, under section 1129.4.14, in relation to qualified wages is deemed to be an amount of assistance repaid by the corporation at that time in respect of the wages, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.4.15, in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the wages, pursuant to a legal obligation.

History: 2000, c. 39, s. 238.

Provisions applicable..

1129.4.17. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph

of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 238.

PART III.1.5

SPECIAL TAX RELATING TO THE CREDIT FOR CUSTOMS BROKERAGE SERVICES IN CONNECTION WITH THE CREATION OF THE INTERNATIONAL TRADE ZONE AT MIRABEL

Definition.

1129.4.18. In this Part, "qualified brokerage expenditure" has the meaning assigned by the first paragraph of section 1029.8.36.0.55.

History: 2000, c. 39, s. 238; 2001, c. 51, s. 216; 2007, c. 12, s. 247.

Tax payable.

1129.4.19. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.57, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified brokerage expenditure incurred in the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "repayment year", in which an amount relating to fees included in computing the qualified brokerage expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.57 or 1029.8.36.0.66, in relation to the qualified brokerage expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.57 or 1029.8.36.0.66, in relation to the qualified brokerage expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to fees included in computing the qualified brokerage expenditure, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified brokerage expenditure.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 266.

Tax payable.

1129.4.20. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the

Minister, under section 1029.8.36.0.60, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified brokerage expenditure incurred by the partnership in a particular fiscal period of the partnership that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to fees included in computing the qualified brokerage expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.60, 1029.8.36.0.67 and 1029.8.36.0.68, in relation to the qualified brokerage expenditure, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.60, 1029.8.36.0.67 and 1029.8.36.0.68, for a taxation year, in relation to the qualified brokerage expenditure, if

i. every amount that is so refunded, paid or allocated at or before the end of the fiscal period of repayment, in relation to fees included in computing the qualified brokerage expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified brokerage expenditure, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 266; 2006, c. 36, s. 229; 2009, c. 15, s. 390.

Deemed repayment of assistance.

1129.4.21. For the purposes of Part I, except for Division II.6.0.5 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a corporation at any time, under section 1129.4.19, in relation to a qualified brokerage expenditure is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.4.20, in relation to a qualified brokerage expenditure is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenditure, pursuant to a legal obligation.

History: 2000, c. 39, s. 238.

Provisions applicable.

1129.4.22. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 238.

PART III.1.6

SPECIAL TAX RELATING TO THE CREDIT FOR ACQUISITION COSTS OR RENTAL EXPENSES IN CONNECTION WITH THE CREATION OF THE INTERNATIONAL TRADE ZONE AT MIRABEL

Definitions:

1129.4.23. In this Part,

“*acquisition costs*”;

“acquisition costs” has the meaning assigned by the first paragraph of section 1029.8.36.0.72;

“*international trade zone*”;

“international trade zone” has the meaning assigned by the first paragraph of section 1029.8.36.0.38;

“*qualified property*”;

“qualified property” has the meaning assigned by section 1029.8.36.0.72;

“recognized business”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.0.38;

“rental expenses”.

“rental expenses” has the meaning assigned by the first paragraph of section 1029.8.36.0.72.

History: 2000, c. 39, s. 238; 2001, c. 51, s. 217; 2004, c. 21, s. 456; 2007, c. 12, s. 304.

Tax payable.

1129.4.24. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.73, on account of its tax payable for a particular taxation year under Part I, in relation to acquisition costs incurred or rental expenses paid, in respect of qualified property in the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the acquisition costs or rental expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.73 or 1029.8.36.0.77, in relation to the acquisition costs or rental expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.73 or 1029.8.36.0.77, in relation to the acquisition costs or rental expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the costs or expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the acquisition costs or rental expenses.

Exception.

However, no tax is payable under this section if section 1129.4.24.1 applies in respect of the property for the repayment year or for a preceding taxation year.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 267; 2004, c. 21, s. 457.

Tax liability.

1129.4.24.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.73, on account of its tax payable under Part I, in relation to acquisition costs incurred in respect of qualified property in

the course of carrying on a recognized business, shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “particular year”, if, at any time in the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used by the corporation exclusively in the international trade zone and, exclusively or almost exclusively, to earn income from activities shown on the certificate issued to the corporation in respect of the recognized business and carried on in that zone by the corporation.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.73 or 1029.8.36.0.77, in relation to the acquisition costs, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.24, for a taxation year preceding the particular year, in relation to the acquisition costs.

Period.

The period to which the first paragraph refers is the period that begins the day after the corporation’s filing-due date for the taxation year preceding the particular year and ends on the day that is the earlier of the last day of the three-year period following the beginning of the use of the property by the corporation and the corporation’s filing-due date for the particular year.

Presumption.

For the purposes of the first paragraph, where, at any time, a corporation disposes of qualified property for proceeds of disposition equal to or greater than 10% of the cost of acquiring it, the corporation is deemed not to have ceased to use, at that time, the property by reason of its obsolescence; in that respect, where the parties to the sale are not dealing with each other at arm’s length, the proceeds of disposition of the property are deemed to be equal to its fair market value.

History: 2004, c. 21, s. 458; 2007, c. 12, s. 248.

Tax payable.

1129.4.25. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.74, on account of its tax payable for a particular taxation year under Part I, in relation to acquisition costs incurred or rental expenses paid by the partnership, in respect of qualified property, in a particular fiscal period of the partnership that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal

period of repayment”, in which an amount relating to the acquisition costs or rental expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.74, 1029.8.36.0.78 and 1029.8.36.0.79, in relation to the acquisition costs or rental expenses, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.74, 1029.8.36.0.78 and 1029.8.36.0.79, for a taxation year, in relation to the acquisition costs or rental expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the costs or expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the acquisition costs or rental expenses, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Exception.

However, no tax is payable under this section if section 1129.4.25.1 applies in respect of the property for the fiscal period of repayment or for a preceding fiscal period.

History: 2000, c. 39, s. 238; 2002, c. 40, s. 267; 2004, c. 21, s. 459; 2006, c. 36, s. 230; 2009, c. 15, s. 391.

Tax payable where qualified property in respect of which acquisition costs were incurred ceases to be used.

1129.4.25.1. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister for a taxation year, under section 1029.8.36.0.74, on account of its tax payable under Part I, in relation to acquisition costs incurred by the partnership in respect of qualified property in the course of carrying on a recognized business in a fiscal period of the partnership that ends in the year, shall pay the tax referred to in the second paragraph for a particular taxation year, in this section referred to as the “particular year”, if, at any time in the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, a major breakdown of the property or its obsolescence, to be used by the partnership exclusively in the international trade zone and, exclusively or almost exclusively, to earn income from activities shown on the certificate issued to the partnership in respect of the recognized business and carried on in that zone by the partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.0.74, 1029.8.36.0.78 and 1029.8.36.0.79, in relation to the acquisition costs, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.25, for a taxation year preceding the particular year, in relation to the acquisition costs.

Period.

The period to which the first paragraph refers is the period that begins the day after the corporation’s filing-due date for the taxation year preceding the particular year and ends on the day that is the earlier of the last day of the three-year period following the beginning of the use of the property by the partnership and the corporation’s filing-due date for the particular year.

Presumption.

For the purposes of the first paragraph, where, at any time, a partnership disposes of qualified property for proceeds of disposition equal to or greater than 10% of the cost of

acquiring it, the partnership is deemed not to have ceased to use, at that time, the property by reason of its obsolescence.

History: 2004, c. 21, s. 460; 2007, c. 12, s. 249.

Deemed repayment of assistance.

1129.4.26. For the purposes of Part I, except for Division II.6.0.6 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a corporation at any time, under section 1129.4.24 or 1129.4.24.1, in relation to acquisition costs or rental expenses is deemed to be an amount of assistance repaid by the corporation at that time in respect of the costs or expenses, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.4.25 or 1129.4.25.1, in relation to acquisition costs or rental expenses is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the costs or expenses, pursuant to a legal obligation.

History: 2000, c. 39, s. 238; 2004, c. 21, s. 461.

Provisions applicable.

1129.4.27. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 238.

PART III.1.7

SPECIAL TAX RELATING TO THE CREDIT FOR THE CONSTRUCTION, RENOVATION OR ALTERATION OF STRATEGIC BUILDINGS IN THE INTERNATIONAL TRADE ZONE AT MIRABEL

Definitions:

1129.4.28. In this Part,

“completion date of the work”;

“completion date of the work” has the meaning assigned by the first paragraph of section 1029.8.36.0.84;

“eligible expenses”;

“eligible expenses” has the meaning assigned by section 1029.8.36.0.84;

“filing period”;

“filing period” has the meaning assigned by the first paragraph of section 1029.8.36.0.84;

“strategic building”.

“strategic building” has the meaning assigned by the first paragraph of section 1029.8.36.0.84.

History: 2002, c. 9, s. 124; 2007, c. 12, s. 304.

Tax payable.

1129.4.29. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.85, on account of its tax payable for a particular taxation year under Part I, in relation to eligible expenses incurred in the particular year in respect of a strategic building, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.85 or 1029.8.36.0.89, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.85 or 1029.8.36.0.89, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section or section 1129.4.30 for a taxation year preceding the repayment year, in relation to the eligible expenses.

Exception.

However, no tax is payable under this section if section 1129.4.30.1 applies in respect of the strategic building for the repayment year or for a preceding taxation year.

History: 2002, c. 9, s. 124; 2002, c. 40, s. 268.

Tax payable.

1129.4.30. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.85, on account of its tax payable for a taxation year under Part I, in relation to the eligible expenses incurred in the taxation year in respect of a strategic building, shall pay the tax referred to in the second paragraph for a taxation year of its filing period, in this section referred to as the “particular year”, in respect of which the corporation fails to file the qualification certificate relating to the strategic building with the Minister as required by section 1029.8.36.0.87, for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to,

(a) where the particular year is one of the first five taxation years of the corporation's filing period, the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.0.85 or 1029.8.36.0.89, in relation to the eligible expenses, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.29 for the particular year or for a preceding taxation year, in relation to the eligible expenses; or

(b) where the particular year is one of the last four years of the corporation's filing period, the amount determined by the formula

$$A \times [(10 - B) \times 20] / 100.$$

Interpretation.

In the formula provided for in subparagraph *b* of the second paragraph,

(a) *A* is the amount that would be determined under subparagraph *a* of the second paragraph, if that subparagraph applied to the particular year; and

(b) *B* is the number of taxation years, including the particular year, following the taxation year that includes the completion date of the work.

Exception.

However, no tax is payable under this section if the section applied in respect of the strategic building for a taxation year preceding the particular year or if section 1129.4.30.1 applies in respect of the building for the particular year or for a preceding taxation year.

History: 2002, c. 9, s. 124; 2002, c. 40, s. 268; 2004, c. 21, s. 462; 2007, c. 12, s. 250.

Tax payable.

1129.4.30.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.85, on account of its tax payable for a taxation year under Part I, in relation to eligible expenses incurred in respect of a strategic building in the taxation year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "particular year", in which Investissement Québec revokes a qualified certificate that had been issued to the corporation in respect of the strategic building.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.85 or 1029.8.36.0.89, in relation to the eligible expenses, exceeds the aggregate of

all amounts each of which is a tax that the corporation is required to pay to the Minister under section 1129.4.29 or 1129.4.30, for a taxation year preceding the particular year, in relation to the eligible expenses.

History: 2002, c. 40, s. 269; 2005, c. 23, s. 248.

Deemed repayment of assistance.

1129.4.31. For the purposes of Part I, except Division II.6.0.7 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under any of sections 1129.4.29, 1129.4.30 and 1129.4.30.1, in relation to eligible expenses in respect of a strategic building is deemed to be an amount of assistance repaid at that time by the corporation in respect of the expenses, pursuant to a legal obligation.

History: 2002, c. 9, s. 124; 2002, c. 40, s. 270.

Provisions applicable.

1129.4.32. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 9, s. 124.

PART III.1.8

SPECIAL TAX RELATING TO THE ADDITIONAL DEDUCTION OF 35% OR 60% IN RESPECT OF CERTAIN INVESTMENTS

Special tax — taxpayer.

1129.4.33. Where a taxpayer has deducted, in respect of a property, an amount in computing the taxpayer's income under section 156.7.4 for a taxation year ending before all the conditions prescribed in respect of the property have been met and, in a subsequent taxation year, an event occurs that results in any of those conditions not being able to be met, the taxpayer shall pay a tax for that subsequent taxation year that is equal to the aggregate of all amounts each of which is the amount by which the tax payable by the taxpayer under Part I for a preceding taxation year for which the taxpayer deducted an amount in computing the taxpayer's income under section 156.7.4 in respect of the property is exceeded by the tax that the taxpayer would have had to pay under Part I for that preceding taxation year if such an amount had not been deducted.

History: 2020, c. 16, s. 183.

Special tax — taxpayer member of a partnership.

1129.4.34. Where a partnership has deducted, in respect of a property, an amount in computing its income under section 156.7.4 for a fiscal period ending before all the conditions prescribed in respect of the property have been met and, in a subsequent fiscal period, an event occurs that

results in any of those conditions not being able to be met, each taxpayer who was a member of the partnership at the end of a preceding fiscal period for which the partnership deducted such an amount in respect of the property shall pay a tax, for the taxpayer's taxation year in which that subsequent fiscal period ends, that is equal to the aggregate of all amounts each of which is the amount by which the tax payable by the taxpayer under Part I for a taxation year in which such a preceding fiscal period ends is exceeded by the tax that the taxpayer would have had to pay for that taxation year under Part I if no amount had been deducted by the partnership under section 156.7.4 in respect of the property.

History: 2020, c. 16, s. 183.

Provisions applicable.

1129.4.35. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2020, c. 16, s. 183.

PART III.2
(Repealed).

BOOK I
(Repealed).

1129.5. *(Repealed).*

History: 1992, c. 1, s. 204; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 271; 2007, c. 12, s. 304; 2017, c. 29, s. 214.

BOOK II
(Repealed).

1129.6. *(Repealed).*

History: 1992, c. 1, s. 204; 1997, c. 3, s. 71; 2017, c. 29, s. 214.

1129.7. *(Repealed).*

History: 1992, c. 1, s. 204; 1997, c. 3, s. 71; 2017, c. 29, s. 214.

1129.8. *(Repealed).*

History: 1992, c. 1, s. 204; 1995, c. 1, s. 184; 1998, c. 16, s. 244; 2017, c. 29, s. 214.

1129.9. *(Repealed).*

History: 1992, c. 1, s. 204; 2017, c. 29, s. 214.

1129.10. *(Repealed).*

History: 1992, c. 1, s. 204; 2017, c. 29, s. 214.

1129.11. *(Repealed).*

History: 1992, c. 1, s. 204; 1997, c. 3, s. 71; 2017, c. 29, s. 214.

BOOK III
(Repealed).

1129.12. *(Repealed).*

History: 1992, c. 1, s. 204; 1993, c. 64, s. 188; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 2017, c. 29, s. 214.

PART III.2.1
(Repealed).

BOOK I
(Repealed).

1129.12.1. *(Repealed).*

History: 1997, c. 85, s. 303; 2002, c. 40, s. 272; 2007, c. 12, s. 251; 2017, c. 29, s. 214.

BOOK II
(Repealed).

1129.12.2. *(Repealed).*

History: 1997, c. 85, s. 303; 1999, c. 83, s. 273 [amended by 2001, c. 7, s. 181]; 2017, c. 29, s. 214.

1129.12.3. *(Repealed).*

History: 1997, c. 85, s. 303; 1999, c. 83, s. 273 [amended by 2001, c. 7, s. 181]; 2017, c. 29, s. 214.

1129.12.4. *(Repealed).*

History: 1997, c. 85, s. 303; 1998, c. 16, s. 245; 1999, c. 83, s. 273 [amended by 2001, c. 7, s. 181]; 2017, c. 29, s. 214.

1129.12.5. *(Repealed).*

History: 1997, c. 85, s. 303; 2017, c. 29, s. 214.

1129.12.6. *(Repealed).*

History: 1997, c. 85, s. 303; 1999, c. 83, s. 273 [amended by 2001, c. 7, s. 181]; 2017, c. 29, s. 214.

BOOK III
(Repealed).

1129.12.7. *(Repealed).*

History: 1997, c. 85, s. 303; 2017, c. 29, s. 214.

PART III.2.2
SPECIAL TAX RELATING TO THE SECOND
COOPERATIVE INVESTMENT PLAN

Definitions:

1129.12.8. In this Part,

“qualification certificate”;

“qualification certificate” means a qualification certificate issued either under section 11 of the Cooperative Investment Plan Act (chapter R-8.1.1), as it read before being repealed or under section 5.5 of Schedule C to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

“qualified cooperative”;

“qualified cooperative” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualified federation of cooperatives”;

“qualified federation of cooperatives” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualifying security”.

“qualifying security” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act.

History: 2006, c. 37, s. 52; 2007, c. 12, s. 304; 2012, c. 1, s. 67.

Tax liability.

1129.12.9. If a qualified cooperative or qualified federation of cooperatives that holds a qualification certificate has issued qualifying securities in a year, it shall pay tax for that year equal to 30% of the proceeds from the issue of those securities if, at the end of the fiscal period that ended in the calendar year that precedes that year, it does not meet the conditions set out in any of subparagraphs 1 to 5 of the first paragraph of section 3 of the Cooperative Investment Plan Act (chapter R-8.1.1), subparagraph 1 or 2 of the second paragraph of that section 3 or any of subparagraphs 1 to 5 of section 4 of that Act, as the case may be.

History: 2006, c. 37, s. 52.

Filing of a return.

1129.12.10. If a qualified cooperative or qualified federation of cooperatives is required to pay tax for a calendar year under this Part, it shall, on or before 31 March of the calendar year that follows the calendar year for which the tax is payable,

(a) file with the Minister, without notice or demand, a return under this Part for that year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2006, c. 37, s. 52; 2009, c. 15, s. 392.

Provisions applicable.

1129.12.11. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2006, c. 37, s. 52.

PART III.2.3**SPECIAL TAX TO ENSURE THE INTEGRITY OF THE SECOND COOPERATIVE INVESTMENT PLAN****Definitions:**

1129.12.12. In this Part,

“investment under the plan”;

“investment under the plan” means any investment held by a qualified cooperative in the form of a share of the capital stock of the corporation that employs its members, or of a debenture issued by the corporation, provided that the debenture was held continuously by the cooperative throughout a 120-day period including the determination time of investments in the corporation;

“qualification certificate”;

“qualification certificate” means a qualification certificate issued either under section 11 of the Cooperative Investment Plan Act (chapter R-8.1.1), as it read before being repealed or under section 5.5 of Schedule C to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

“qualified cooperative”;

“qualified cooperative” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualifying security”.

“qualifying security” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2006, c. 37, s. 52; 2007, c. 12, s. 304; 2012, c. 1, s. 68; 2013, c. 10, s. 155.

Tax liability.

1129.12.13. If, in a particular calendar year, a qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate has issued qualifying securities, redeemed securities issued under that Act or under

the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only), acquired an investment under the plan, or disposed of such an investment, the qualified cooperative shall pay tax for that year equal to the regulation amount determined under section 1129.12.14.

Non-application – windings up.

The first paragraph ceases to apply from the calendar year in which the qualified cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1).

History: 2006, c. 37, s. 52; 2013, c. 10, s. 156.

Regulation amount.

1129.12.14. The regulation amount to which the first paragraph of section 1129.12.13 refers in respect of a qualified cooperative for a particular calendar year is equal to the amount determined by the formula

$$30\% (A - B) + C - D.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the Cooperative Investment Plan Act (chapter R-8.1.1) and under the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only) and that are outstanding at the end of the particular calendar year, exceeds an amount equal to 165% of the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative holds at the end of the particular calendar year;

(b) B is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the cooperative investment plan and that are outstanding immediately before the issue to the qualified cooperative of its first qualification certificate, exceeds the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative held at that time;

(c) C is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under Division II.6.5.5 of Chapter III.1 of Title III of Book IX of Part I, on account of its tax payable under that Part for a taxation year preceding its taxation year in which the particular calendar year ends;

(d) D is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under this Part for a calendar year preceding the particular calendar year; and

(e) where the result of the subtraction of the amounts that A and B represent is less than zero, the result of that subtraction is deemed to be equal to zero;

(f) *(subparagraph repealed)*.

History: 2006, c. 37, s. 52; 2013, c. 10, s. 157.

Filing of a return.

1129.12.15. If a qualified cooperative is required to pay tax for a calendar year under this Part, it shall, on or before 31 March of the calendar year that follows the calendar year for which the tax is payable,

(a) file with the Minister, without notice or demand, a return under this Part for that year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2006, c. 37, s. 52; 2009, c. 15, s. 393.

Provisions applicable.

1129.12.16. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2006, c. 37, s. 52.

PART III.2.4

SPECIAL TAX RELATING TO AN ALLOWABLE REDEMPTION OR REPAYMENT UNDER THE SECOND COOPERATIVE INVESTMENT PLAN

Definitions:

1129.12.17. In this Part,

“*allowable redemption or repayment*”;

“allowable redemption or repayment” means an allowable redemption or repayment within the meaning of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1);

“*eligible member*”;

“eligible member” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualification certificate”;

“qualification certificate” means a qualification certificate issued under section 11 of the Cooperative Investment Plan Act;

“qualified cooperative”;

“qualified cooperative” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualified federation of cooperatives”;

“qualified federation of cooperatives” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

“qualifying security”.

“qualifying security” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2006, c. 37, s. 52; 2007, c. 12, s. 304.

Tax liability.

1129.12.18. If a qualifying security is the subject of an allowable redemption or repayment by a qualified cooperative or qualified federation of cooperatives before 24 June 2009, otherwise than under the circumstances to which section 1129.12.19 applies, the individual referred to in section 965.39.4, the person to whom, where applicable, the security devolved as a consequence of the individual’s death, or a trust holding the security and that is governed by a registered retirement savings plan or by a registered retirement income fund the annuitant of which is the individual, is required to pay, for the taxation year in which the redemption or repayment is made, a tax equal to the amount determined by the formula

$$[(1,826 - A) / 1,826] \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed or repaid; and

(b) B is the lesser of

i. 25% of the acquisition cost of the qualifying security, determined without taking into account the borrowing costs and the other costs related to their acquisition, for the individual or the trust governed by a registered retirement

savings plan of which the individual was the annuitant on acquiring the security, and

ii. the amount paid by the qualified cooperative or qualified federation of cooperatives for the redemption or repayment of the security.

History: 2006, c. 37, s. 52; 2010, c. 25, s. 208.

Tax liability.

1129.12.19. If a qualifying security held by a partnership is the subject of an allowable redemption or repayment by a qualified cooperative or qualified federation of cooperatives before 24 June 2009, an individual who is a member of the partnership at the end of the partnership’s fiscal period in which the redemption or repayment is made, is required to pay, for the taxation year in which the fiscal period ends, a tax equal to the amount determined by the formula

$$[(1,826 - A) / 1,826] \times B \times C.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed or repaid;

(b) B is the lesser of

i. 25% of the acquisition cost of the qualifying security to the partnership, and

ii. the amount paid by the qualified cooperative or qualified federation of cooperatives for the redemption or repayment of the security; and

(c) C is the agreed proportion in respect of the individual for the fiscal period referred to in the first paragraph.

Acquisition cost to the partnership.

For the purposes of this section, the acquisition cost of the qualifying security to the partnership is the aggregate of the costs determined in respect of the partnership’s eligible members in accordance with section 965.39.5, without taking into account the borrowing costs and the other costs related to its acquisition.

History: 2006, c. 37, s. 52; 2009, c. 15, s. 394; 2010, c. 5, s. 193; 2010, c. 25, s. 209.

Withholding and payment of tax.

1129.12.20. If a qualified cooperative or qualified federation of cooperatives redeems or repays a qualifying security in respect of which tax is payable under section 1129.12.18 or 1129.12.19, the following rules apply:

(a) the qualified cooperative or qualified federation of cooperatives is required to withhold the amount of tax, on behalf of the person who is liable to pay the tax, from the amount it pays or credits to that person because of the redemption or repayment of the security; and

(b) the qualified cooperative or qualified federation of cooperatives is required to pay to the Minister the amount so withheld on behalf of that person within 30 days following the day on which the security is redeemed or repaid.

History: 2006, c. 37, s. 52.

Payment of tax by the cooperative or federation of cooperatives.

1129.12.21. Every qualified cooperative or qualified federation of cooperatives is required to pay, on behalf of the person who is liable to pay the tax referred to in section 1129.12.18 or 1129.12.19, any amount that the cooperative or federation of cooperatives did not withhold under section 1129.12.20, and it is authorized to recover the amount so paid from that person.

History: 2006, c. 37, s. 52.

Provisions applicable.

1129.12.22. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2006, c. 37, s. 52.

PART III.2.5

SPECIAL TAX RELATING TO A REDEMPTION UNDER THE FIRST COOPERATIVE INVESTMENT PLAN

Definitions:

1129.12.23. In this Part,

“cooperative investment plan”;

“cooperative investment plan” means the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only);

“qualified cooperative”;

“qualified cooperative” has the meaning assigned by the cooperative investment plan;

“qualifying security”.

“qualifying security” has the meaning assigned by section 6 of the cooperative investment plan.

History: 2010, c. 25, s. 210.

Tax liability.

1129.12.24. Every qualified cooperative that carries out, after 23 June 2009 and before 1 January 2010, a block redemption of all of the outstanding qualifying securities of a

class or, if applicable, of a series in a class of its capital stock it issued under the cooperative investment plan is required to pay for the calendar year 2009 a tax equal to 50% of the aggregate of all amounts each of which is the amount determined by the following formula in respect of each of those qualifying securities, unless the block redemption is described in the third paragraph:

$$[(1,826 - A)/1,826] \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed; and

(b) B is the amount paid by the qualified cooperative for the redemption of the qualifying security.

Block redemption.

The block redemption to which the first paragraph refers means a block redemption that

(a) meets the requirements of section 8 of the cooperative investment plan in relation to an increase in the reserve;

(b) is covered by an exemption granted by the Minister of Economic Development, Innovation and Export Trade under the first paragraph of section 10.3 of the cooperative investment plan; or

(c) is an exchange operation described in the fourth paragraph.

Exchange operation.

The exchange operation to which subparagraph *c* of the third paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements of paragraphs 3 and 5 of section 6 of the cooperative investment plan.

History: 2010, c. 25, s. 210; 2013, c. 10, s. 158.

Return, estimate and payment.

1129.12.25. If a qualified cooperative is required to pay tax for the calendar year 2009 under section 1129.12.24, it shall, on or before 31 March 2010,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2010, c. 25, s. 210.

Tax liability.

1129.12.26. Subject to section 1129.12.28, if a qualifying security issued under the cooperative investment plan is the subject of a redemption by a qualified cooperative after 23 June 2009, otherwise than under the circumstances to which section 1129.12.27 applies, the individual referred to in section 965.37, the person to whom, if applicable, the security devolved as a consequence of the individual's death, or a trust holding the security and that is governed by a registered retirement savings plan or by a registered retirement income fund the annuitant of which is the individual, is required to pay, for the taxation year in which the redemption is made, a tax equal to the amount determined by the formula

$$[(1,826 - A)/1,826] \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed; and

(b) B is the lesser of

i. 25% of the acquisition cost of the qualifying security—determined without taking into account the borrowing costs and the other costs related to its acquisition—to the individual or the trust governed by a registered retirement savings plan of which the individual was the annuitant on acquiring the security, and

ii. the amount paid by the qualified cooperative for the redemption of the qualifying security.

History: 2010, c. 25, s. 210.

Tax liability.

1129.12.27. Subject to section 1129.12.28, if a qualifying security issued under the cooperative investment plan and held by a partnership is the subject of a redemption by a qualified cooperative after 23 June 2009, an individual who is a member of the partnership at the end of the partnership's fiscal period in which the redemption is made, is required to pay, for the taxation year in which the fiscal period ends, a tax equal to the amount determined by the formula

$$[(1,826 - A)/1,826] \times B \times C.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed;

(b) B is the lesser of

i. 25% of the acquisition cost of the qualifying security to the partnership, and

ii. the amount paid by the qualified cooperative for the redemption of the qualifying security; and

(c) C is the agreed proportion in respect of the individual for the fiscal period referred to in the first paragraph.

Acquisition cost of qualifying security

For the purposes of this section, the acquisition cost of the qualifying security to the partnership is the aggregate of the costs determined in respect of the partnership's members in accordance with section 965.37.1, without taking into account the borrowing costs and the other costs related to its acquisition.

History: 2010, c. 25, s. 210.

Provisions not applicable.

1129.12.28. Sections 1129.12.26 and 1129.12.27 do not apply in respect of the redemption of a qualifying security of a qualified cooperative issued under the cooperative investment plan, if the redemption meets the requirements of section 4 of the plan or is made as part of a block redemption of all the outstanding qualifying securities of a class or, if applicable, of a series in a class of the capital stock of the cooperative.

History: 2010, c. 25, s. 210; 2013, c. 10, s. 159.

Withholding and payment of tax.

1129.12.29. If a qualified cooperative redeems a qualifying security in respect of which tax is payable under section 1129.12.26 or 1129.12.27, the following rules apply:

(a) the qualified cooperative is required to withhold the amount of tax, on behalf of the person who is liable to pay the tax, from the amount it pays or credits to that person because of the redemption of the security; and

(b) the qualified cooperative is required to pay to the Minister the amount so withheld on behalf of that person within 30 days following the day on which the security is redeemed.

History: 2010, c. 25, s. 210.

Payment of tax by cooperative.

1129.12.30. Every qualified cooperative is required to pay, on behalf of the person who is liable to pay the tax referred to in section 1129.12.26 or 1129.12.27, any amount that the cooperative did not withhold under section 1129.12.29, and it is authorized to recover the amount so paid from that person.

History: 2010, c. 25, s. 210.

Provisions applicable.

1129.12.31. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, and sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2010, c. 25, s. 210.

**PART III.2.6
SPECIAL TAX RELATING TO A REDEMPTION
UNDER THE SECOND COOPERATIVE
INVESTMENT PLAN**

Definitions.

1129.12.32. In this Part, “eligible member”, “qualified cooperative”, “qualified federation of cooperatives” and “qualifying security” have the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1).

History: 2010, c. 25, s. 210.

Tax liability.

1129.12.33. Every qualified cooperative or qualified federation of cooperatives that carries out, in a calendar year and after 23 June 2009, a block redemption or repayment of all of the outstanding qualifying securities of a class or, if applicable, of a series in a class of its capital stock it issued under the Cooperative Investment Plan Act (chapter R-8.1.1) is required to pay for that year a tax equal to 30% of the aggregate of all amounts each of which is the amount determined by the following formula in respect of each of those qualifying securities, unless the block redemption or repayment is made as part of the winding-up of the qualified cooperative or qualified federation of cooperatives, as the case may be, or is an exchange operation described in the third paragraph:

$$[(1,826 - A)/1,826] \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first

paragraph and that ends on the day on which the qualifying security is redeemed or repaid; and

(b) B is the amount paid by the qualified cooperative or qualified federation of cooperatives for the redemption or repayment of the qualifying security.

Exchange operation.

The exchange operation to which the first paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements of paragraphs 3 and 4 of section 6 of the Cooperative Investment Plan Act.

History: 2010, c. 25, s. 210; 2013, c. 10, s. 160.

Return, estimate and payment.

1129.12.34. If a qualified cooperative or qualified federation of cooperatives is required to pay tax for a calendar year under section 1129.12.33, it shall, on or before 31 March of the calendar year that follows the calendar year for which the tax is payable,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2010, c. 25, s. 210.

Tax liability.

1129.12.35. If a qualifying security is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, otherwise than under the circumstances to which section 1129.12.36 applies, the individual referred to in section 965.39.4, the person to whom, if applicable, the security devolved as a consequence of the individual’s death, or a trust holding the security and that is governed by a registered retirement savings plan or by a registered retirement income fund the annuitant of which is the individual, is required to pay, for the taxation year in which the redemption or repayment is made, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of a block redemption or repayment to which section 1129.12.33 applies or is an exchange operation described in the third paragraph of that section:

$$[(1,826 - A)/1,826] \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed or repaid; and

(b) B is the lesser of

i. the amount obtained by multiplying the rate specified in the third paragraph by the acquisition cost of the qualifying security—determined without taking into account the borrowing costs and the other costs related to its acquisition—to the individual or the trust governed by a registered retirement savings plan of which the individual was the annuitant on acquiring the security, and

ii. the amount paid by the qualified cooperative or qualified federation of cooperatives for the redemption or repayment of the qualifying security.

Rate.

The rate to which subparagraph i of subparagraph b of the second paragraph refers is 25% if the redemption or repayment complies with the requirements of section 7 of the Cooperative Investment Plan Act (chapter R-8.1.1), and 30% in any other case.

History: 2010, c. 25, s. 210; 2013, c. 10, s. 161.

Tax liability.

1129.12.36. If a qualifying security held by a partnership is the subject of a redemption or repayment by a qualified cooperative or qualified federation of cooperatives after 23 June 2009, an individual who is a member of the partnership at the end of the partnership's fiscal period in which the redemption or repayment is made, is required to pay, for the taxation year in which the fiscal period ends, a tax equal to the amount determined by the following formula, unless the redemption or repayment is made as part of a block redemption or repayment to which section 1129.12.33 applies or is an exchange operation described in the third paragraph of that section:

$$[(1,826 - A)/1,826] \times B \times C.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the qualifying security referred to in the first paragraph and that ends on the day on which the qualifying security is redeemed or repaid;

(b) B is the lesser of

i. the amount obtained by multiplying the rate specified in the third paragraph by the acquisition cost of the qualifying security—determined without taking into account the borrowing costs and the other costs related to its acquisition—to the partnership, and

ii. the amount paid by the qualified cooperative or qualified federation of cooperatives for the redemption or repayment of the qualifying security; and

(c) C is the agreed proportion in respect of the individual for the fiscal period referred to in the first paragraph.

Rate.

The rate to which subparagraph i of subparagraph b of the second paragraph refers is 25% if the redemption or repayment complies with the requirements of section 7 of the Cooperative Investment Plan Act (chapter R-8.1.1), and 30% in any other case.

Acquisition cost of qualifying security

For the purposes of this section, the acquisition cost of the qualifying security to the partnership is the aggregate of the costs determined in respect of the partnership's eligible members in accordance with section 965.39.5, without taking into account the borrowing costs and the other costs related to its acquisition.

History: 2010, c. 25, s. 210; 2013, c. 10, s. 162.

Withholding and payment of tax.

1129.12.37. If a qualified cooperative or qualified federation of cooperatives redeems or repays a qualifying security in respect of which tax is payable under section 1129.12.35 or 1129.12.36, the following rules apply:

(a) the qualified cooperative or qualified federation of cooperatives is required to withhold the amount of tax, on behalf of the person who is liable to pay the tax, from the amount it pays or credits to that person because of the redemption or repayment of the security; and

(b) the qualified cooperative or qualified federation of cooperatives is required to pay to the Minister the amount so withheld on behalf of that person within 30 days following the day on which the security is redeemed or repaid.

History: 2010, c. 25, s. 210.

Payment of tax by cooperative or federation.

1129.12.38. Every qualified cooperative or qualified federation of cooperatives is required to pay, on behalf of the person who is liable to pay the tax referred to in section 1129.12.35 or 1129.12.36, any amount that the cooperative or federation of cooperatives did not withhold

under section 1129.12.37, and it is authorized to recover the amount so paid from that person.

History: 2010, c. 25, s. 210.

Provisions applicable.

1129.12.39. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, and sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2010, c. 25, s. 210.

PART III.2.7

SPECIAL TAX RELATING TO CERTAIN SHARE ISSUE EXPENSES UNDER THE STOCK SAVINGS PLAN II

Definitions.

1129.12.40. In this Part, “eligible issue expenses” and “qualified issuing corporation” have the meaning assigned by section 1029.8.36.59.35.

History: 2013, c. 10, s. 163.

Tax payable.

1129.12.41. Every qualified issuing corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.37, on account of its tax payable under Part I for a particular taxation year, in relation to eligible issue expenses incurred by the qualified issuing corporation for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible issue expenses is, directly or indirectly, refunded or otherwise paid to the qualified issuing corporation or allocated to a payment to be made by the qualified issuing corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the qualified issuing corporation is deemed to have paid to the Minister under section 1029.8.36.59.37, in relation to the eligible issue expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.37, in relation to the eligible issue expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible issue expenses were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this

section for a taxation year preceding the repayment year, in relation to the eligible issue expenses.

History: 2013, c. 10, s. 163.

Repayment of assistance.

1129.12.42. For the purposes of Part I, except Division II.6.5.6 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.12.41 in relation to eligible issue expenses is deemed to be an amount of assistance repaid at that time by the corporation in respect of the expenses pursuant to a legal obligation.

History: 2013, c. 10, s. 163.

Provisions applicable.

1129.12.43. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 163.

PART III.2.8

SPECIAL TAX RELATING TO A TAX-FREE RESERVE OF A QUALIFIED SHIPOWNER

Definitions:

1129.12.44. In this Part,

“*qualified property*”;

“qualified property” has the meaning assigned by section 979.24;

“*qualified shipowner*”;

“qualified shipowner” has the meaning assigned by section 979.24;

“*tax-free reserve*”.

“tax-free reserve” of a qualified shipowner means a tax-free reserve within the meaning of section 979.25.

History: 2015, c. 21, s. 507.

Tax liability.

1129.12.45. A qualified shipowner is required to pay the tax determined in the second paragraph for a particular taxation year if

(a) the qualified shipowner’s tax-free reserve is deemed to end in the particular taxation year because of the application of section 979.32; or

(b) the particular taxation year includes the end of 31 December 2033 and, immediately before that time, qualified property is included in the qualified shipowner’s tax-free reserve.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount determined by the formula

$$1\% \times A \times B.$$

Interpretation.

In the formula in the second paragraph,

(a) A is the fair market value of the qualified property within the qualified shipowner's tax-free reserve at the end of the taxation year that precedes the particular taxation year where subparagraph *a* of the first paragraph applies or at the end of 31 December 2033 where subparagraph *b* of the first paragraph applies; and

(b) B is the number of taxation years in which the qualified shipowner had a tax-free reserve.

History: 2015, c. 21, s. 507.

Provisions applicable to this Part.

1129.12.46. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to that first paragraph, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 507.

PART III.3

(Repealed).

BOOK I

(Repealed).

1129.13. *(Repealed).*

History: 1992, c. 1, s. 204; 1995, c. 1, s. 185; 1995, c. 63, s. 230 [amended by 1996, c. 39, s. 287]; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 273.

BOOK II

(Repealed).

1129.14. *(Repealed).*

History: 1992, c. 1, s. 204; 1993, c. 64, s. 189; 1994, c. 16, s. 51; 1995, c. 1, s. 186; 1995, c. 63, s. 231 [amended by 1996, c. 39, s. 287]; 1997, c. 3, s. 71; 1998, c. 17, s. 64; 1999, c. 8, s. 20; 2001, c. 69, s. 12; 2002, c. 40, s. 273.

1129.14.1. *(Repealed).*

History: 1995, c. 1, s. 187; 1995, c. 63, s. 232 [amended by 1996, c. 39, s. 287]; 1997, c. 3, s. 71; 2002, c. 40, s. 273.

BOOK III

(Repealed).

1129.15. *(Repealed).*

History: 1992, c. 1, s. 204; 1993, c. 64, s. 190; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 2002, c. 40, s. 273.

PART III.4**SPECIAL TAX RELATING TO THE DISPOSITION OF CERTAIN PROPERTY BY AN ARCHIVAL CENTRE OR A MUSEUM****BOOK I****DEFINITIONS****Definitions:**

1129.16. In this Part,

“certified archival centre”;

“certified archival centre” has the meaning assigned by section 1;

“eligible entity”;

“eligible entity” means

(a) a certified archival centre;

(b) a recognized museum; or

(c) an institution or a public authority in Canada designated, under subsection 2 of section 32 of the Cultural Property Export and Import Act (Revised Statutes of Canada, 1985, chapter C-51), generally or for a specified purpose related to the property referred to in section 1129.17;

“recognized museum”.

“recognized museum” has the meaning assigned by section 1.

History: 1993, c. 19, s. 144; 2002, c. 40, s. 274; 2006, c. 36, s. 231; 2007, c. 12, s. 304.

BOOK II**LIABILITY FOR AND AMOUNT OF TAX****Tax liability.**

1129.17. If an archival centre or a museum disposes of a property within nine years after the day the centre or museum acquired it and if the centre or museum was, at the time of the acquisition, a certified archival centre, a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44) or a recognized museum and the property was a property in respect of which the Conseil du patrimoine culturel du Québec issued a certificate stating that the property was acquired by the centre or museum in accordance with its acquisition and conservation policy and with the directives of the Ministère de la Culture et des Communications, the centre or museum shall pay, for the year in which the property was disposed of, tax equal to 30% of the fair market value of the property at the time of the

disposition, unless the property is disposed of to an entity that is, at that time, an eligible entity.

History: 1993, c. 19, s. 144; 1995, c. 1, s. 199; 1996, c. 39, s. 269; 2001, c. 53, s. 253; 2004, c. 25, s. 70; O.C. 1295-2005; 2006, c. 36, s. 232; O.C. 1159-2008; 2011, c. 21, s. 232.

Return, estimate and payment.

1129.18. Where an archival centre or a museum must, for a year, pay tax under this Part, it shall, within 90 days after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 1993, c. 19, s. 144; 2009, c. 15, s. 395.

BOOK III

MISCELLANEOUS PROVISIONS

Provisions applicable.

1129.19. Unless otherwise provided in this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 1993, c. 19, s. 144; 1995, c. 1, s. 362; 1995, c. 63, s. 261; 1997, c. 85, s. 304.

PART III.5

SPECIAL TAX RELATING TO THE DISPOSITION OF CERTAIN PROPERTY BY AN INSTITUTION OR PUBLIC AUTHORITY

BOOK I

DEFINITION

Definition.

1129.20. In this Part, “eligible entity” means

(a) a certified archival centre, within the meaning of section 1;

(b) a recognized museum, within the meaning of section 1; or

(c) an institution or public authority in Canada which is designated, under subsection 2 of section 32 of the Cultural Property Export and Import Act (Revised Statutes of Canada,

1985, chapter C-51), generally or for a specified purpose related to the property referred to in section 1129.21.

History: 1993, c. 19, s. 144; 1997, c. 14, s. 265; 2002, c. 40, s. 275; 2006, c. 36, s. 233; 2007, c. 12, s. 253.

BOOK II

LIABILITY FOR AND AMOUNT OF TAX

Tax liability.

1129.21. Where an institution or public authority disposes of a property, other than a property described in subparagraph *a* of the third paragraph of section 232, within nine years after the day on which the institution or public authority, as the case may be, acquired it and where the institution or public authority, as the case may be, was, at the time of the acquisition, designated under subsection 2 of section 32 of the Cultural Property Export and Import Act (Revised Statutes of Canada, 1985, chapter C-51) generally or for a specified purpose related to the property and the property was, at the time of the acquisition, a property classified in accordance with the Cultural Heritage Act (chapter P-9.002), the institution or public authority, as the case may be, shall pay, for the year in which the property is disposed of, tax equal to 30% of the fair market value of the property at the time of the disposition, except where the property is disposed of to an entity which is, at that time, an eligible entity.

History: 1993, c. 19, s. 144; 2001, c. 53, s. 254; 2003, c. 9, s. 400; 2011, c. 21, s. 234.

Corresponding Federal Provision: 207.3.

Return, estimate and payment.

1129.22. Where an institution or public authority must, for a year, pay tax under this Part, it shall, within 90 days after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 1993, c. 19, s. 144; 2009, c. 15, s. 396.

Corresponding Federal Provision: 207.4(1).

BOOK III

MISCELLANEOUS PROVISIONS

Provisions applicable.

1129.23. Unless otherwise provided in this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of

Book IX of Part I apply to this Part, with the necessary modifications.

History: 1993, c. 19, s. 144; 1995, c. 1, s. 362; 1995, c. 63, s. 261; 1997, c. 85, s. 305.

Corresponding Federal Provision: 207.4(2).

PART III.5.1 SPECIAL TAX RELATING TO RECOGNIZED ARTS ORGANIZATIONS

Definitions:

1129.23.1. In this Part,

“recognized arts organization”;

“recognized arts organization” has the meaning assigned by section 1;

“taxation year”.

“taxation year” means a taxation year for the purposes of Chapter III.3 of Title I of Book VIII of Part I.

History: 1997, c. 14, s. 266; 2007, c. 12, s. 304.

Tax liability.

1129.23.2. A recognized arts organization that fails to comply with the requirement of section 985.28 in its respect for a taxation year shall pay for that year tax equal to the minimum additional amount it would have been required to expend in the year to comply with that requirement.

History: 1997, c. 14, s. 266.

Return, estimate and payment.

1129.23.3. Where a recognized arts organization is required to pay tax for a taxation year under this Part, it shall, within six months after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 1997, c. 14, s. 266; 2009, c. 15, s. 397.

Provisions applicable.

1129.23.4. Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031.1 to 1079.16 apply to this Part, with the necessary modifications.

History: 1997, c. 14, s. 266; 2015, c. 36, s. 158.

PART III.5.1.1 SPECIAL TAX RELATING TO REGISTERED MUSEUMS

Definitions:

1129.23.4.1. In this Part,

“registered museum”;

“registered museum” has the meaning assigned by section 1;

“taxation year”.

“taxation year” means a taxation year for the purposes of Chapter III.3.1 of Title I of Book VIII of Part I.

History: 2006, c. 36, s. 234; 2007, c. 12, s. 304.

Tax liability.

1129.23.4.2. A registered museum that fails to comply with the requirement of section 985.35.3 in its respect for a taxation year shall pay, for that year, tax equal to the minimum additional amount it ought to have expended in that year to comply with that requirement.

History: 2006, c. 36, s. 234.

Return, estimate and payment.

1129.23.4.3. If a registered museum is required to pay tax for a taxation year under this Part, it shall, within six months after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2006, c. 36, s. 234; 2009, c. 15, s. 398.

Provisions applicable.

1129.23.4.4. Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031.1 to 1079.16 apply to this Part, with the necessary modifications.

History: 2006, c. 36, s. 234; 2015, c. 36, s. 159.

PART III.5.1.2 SPECIAL TAX RELATING TO REGISTERED CULTURAL OR COMMUNICATIONS ORGANIZATIONS

Definitions:

1129.23.4.5. In this Part,

“registered cultural or communications organization”;

“registered cultural or communications organization” has the meaning assigned by section 1;

“taxation year”.

“taxation year” means a taxation year for the purposes of Chapter III.3.2 of Title I of Book VIII of Part I.

History: 2006, c. 36, s. 234; 2007, c. 12, s. 304.

Tax liability.

1129.23.4.6. A registered cultural or communications organization that fails to comply with the requirement of section 985.35.13 in its respect for a taxation year shall pay, for that year, tax equal to the minimum additional amount it ought to have expended in that year to comply with that requirement.

History: 2006, c. 36, s. 234.

Return, estimate and payment.

1129.23.4.7. If a registered cultural or communications organization is required to pay tax for a taxation year under this Part, it shall, within six months after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2006, c. 36, s. 234; 2009, c. 15, s. 399.

Provisions applicable.

1129.23.4.8. Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031.1 to 1079.16 apply to this Part, with the necessary modifications.

History: 2006, c. 36, s. 234; 2015, c. 36, s. 160.

PART III.5.2**SPECIAL TAX RELATING TO RECOGNIZED POLITICAL EDUCATION ORGANIZATIONS****Definitions:**

1129.23.5. In this Part,

“recognized political education organization”;

“recognized political education organization” has the meaning assigned by section 985.36;

“taxation year”.

“taxation year” means a taxation year for the purposes of Chapter III.4 of Title I of Book VIII of Part I.

History: 2004, c. 21, s. 463; 2007, c. 12, s. 304.

Tax liability.

1129.23.6. A recognized political education organization that fails to comply with the requirement of section 985.37 in

its respect for a taxation year shall pay for that year tax equal to the minimum additional amount it would have been required to expend in the year to comply with that requirement.

History: 2004, c. 21, s. 463.

Return, estimate and payment.

1129.23.7. Where a recognized political education organization is required to pay tax for a taxation year under this Part, it shall, within six months after the end of the year,

(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2004, c. 21, s. 463; 2009, c. 15, s. 400.

Provisions applicable.

1129.23.8. Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031.1 to 1079.16 apply to this Part, with the necessary modifications.

History: 2004, c. 21, s. 463; 2015, c. 36, s. 161.

PART III.6**SPECIAL TAX RELATING TO THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS DU QUÉBEC****BOOK I****DEFINITIONS****Definitions:**

1129.24. In this Part,

“Fund”;

“Fund” means the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1);

“share”.

“share” means a class “A” share or a class “A” fractional share in the share capital of the Fund.

History: 1993, c. 64, s. 191; 1995, c. 1, s. 188; 1997, c. 3, s. 71; 2000, c. 39, s. 239; 2002, c. 40, s. 276; 2007, c. 12, s. 304.

BOOK II**LIABILITY FOR AND AMOUNT OF TAX****Tax liability.**

1129.25. The Fund shall pay, for the period beginning on 2 March 1993 and ending on 1 March 1994, a tax equal to 20% of the amount by which the aggregate of all amounts

each of which is an amount paid during that period for the purchase of a share as first purchaser exceeds \$97,000,000.

History: 1993, c. 64, s. 191; 1995, c. 1, s. 189.

Tax for the year 2004.

1129.25.1. The Fund shall pay, for its taxation year beginning on 1 July 2003 and ending on 31 May 2004, a tax equal to 15% of the amount by which the aggregate of all amounts each of which is an amount paid during that year for the purchase of a share as first purchaser exceeds \$550,000,000.

Amount paid for the purchase of a share.

For the purposes of the first paragraph, an amount paid for the purchase of a share does not include the issue price paid in respect of the share.

History: 2004, c. 21, s. 464.

Tax for the year 2015.

1129.25.2. The Fund shall pay, for its taxation year beginning on 1 June 2014 and ending on 31 May 2015, a tax equal to 15% of the amount by which the aggregate of all amounts each of which is an amount paid during that year for the purchase of a share as first purchaser exceeds \$650,000,000.

Amount paid for the purchase of a share.

For the purposes of the first paragraph, an amount paid for the purchase of a share does not include the issue price paid in respect of the share.

History: 2015, c. 21, s. 508.

Return, estimate and payment.

1129.26. Where the Fund is required to pay tax under this Part for the period mentioned in section 1129.25, it shall, not later than 31 March of the calendar year in which the period ends,

(a) file with the Minister, without notice or demand therefor, a return under this Part in prescribed form containing the prescribed information,

(b) estimate, in the return, the amount of its tax payable under this Part for that period, and

(c) pay to the Minister the amount of its tax payable under this Part for that period.

History: 1993, c. 64, s. 191; 1995, c. 1, s. 190.

Payment of tax.

1129.26.1. Where the Fund is required to pay tax under this Part for the year referred to in section 1129.25.1 or 1129.25.2, it shall, not later than the ninetieth day

following the end of the year, pay to the Minister the amount of its tax payable under this Part for the year.

History: 2004, c. 21, s. 465; 2015, c. 21, s. 509.

BOOK III

MISCELLANEOUS PROVISIONS

Provisions applicable.

1129.27. Except where inconsistent with this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1993, c. 64, s. 191; 1995, c. 49, s. 236; 1995, c. 63, s. 261.

PART III.6.0.1

SPECIAL TAX RELATING TO FONDACTION, LE FONDS DE DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS NATIONAUX POUR LA COOPÉRATION ET L'EMPLOI

Definitions:

1129.27.0.1. In this Part,

“*Fund*”;

“*Fund*” means the corporation governed by the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2);

“*share*”.

“*share*” means a class “A” or class “B” share or fractional share in the share capital of the Fund.

History: 2004, c. 21, s. 466; 2007, c. 12, s. 304.

Tax for the year 2004.

1129.27.0.2. The Fund shall pay, for its taxation year beginning on 1 June 2003 and ending on 31 May 2004, a tax equal to 15% of the amount by which the aggregate of all amounts each of which is an amount paid during that year for the purchase of a share as first purchaser exceeds \$80,000,000.

Amount paid for the purchase of a share.

For the purposes of the first paragraph, an amount paid for the purchase of a share does not include the issue price paid in respect of the share.

History: 2004, c. 21, s. 466.

Tax.

1129.27.0.2.1. The Fund shall pay, for a particular taxation year referred to in the second paragraph, a tax equal to 25% of the amount by which the aggregate of all amounts each of which is an amount paid in that particular year for the purchase of a share as first purchaser exceeds the amount determined for that particular year under the second paragraph.

Amount determined.

The amount referred to in the first paragraph is,

(a) where the particular taxation year ends on 31 May 2010, \$150,000,000; or

(b) where the particular taxation year ends on 31 May 2011, the aggregate of

i. \$150,000,000, and

ii. the amount by which \$150,000,000 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year that ends on 31 May 2010 for the purchase of a share as first purchaser;

(c) where the particular taxation year ends on 31 May 2012, the aggregate of

i. \$150,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2011 exceeds the aggregate of all amounts each of which is an amount paid in that taxation year for the purchase of a share as first purchaser;

(d) where the particular taxation year ends on 31 May 2013, \$175,000,000;

(e) where the particular taxation year ends on 31 May 2014, the aggregate of

i. \$200,000,000, and

ii. the amount by which \$175,000,000 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year that ends on 31 May 2013 for the purchase of a share as first purchaser; or

(f) where the particular taxation year ends on 31 May 2015, to the aggregate of

i. \$200,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2014 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year for the purchase of a share as first purchaser.

Amount paid for the purchase of a share.

For the purposes of this section, an amount paid for the purchase of a share includes only the issue price paid in respect of the share.

History: 2010, c. 5, s. 194; 2012, c. 8, s. 244; 2013, c. 10, s. 164; 2015, c. 21, s. 510.

Tax for years 2017 to 2021.

1129.27.0.2.2. The Fund shall pay, for a particular taxation year referred to in the second paragraph, a tax equal to 20% of the amount by which the aggregate of all amounts each of which is an amount paid in that particular year for the purchase of a share as first purchaser exceeds the amount determined for that particular year under the second paragraph.

Amount determined.

The amount referred to in the first paragraph is,

(a) where the particular taxation year ends on 31 May 2017, \$250,000,000;

(b) where the particular taxation year ends on 31 May 2018, the aggregate of

i. \$250,000,000, and

ii. the amount by which \$250,000,000 exceeds the aggregate of all amounts each of which is an amount paid in the taxation year that ends on 31 May 2017 for the purchase of a share as first purchaser;

(c) where the particular taxation year ends on 31 May 2019, the aggregate of

i. \$250,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2018 exceeds the aggregate of all amounts each of which is an amount paid in that taxation year for the purchase of a share as first purchaser;

(d) where the particular taxation year ends on 31 May 2020, the aggregate of

i. \$275,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2019 exceeds the aggregate of all amounts each of which is an amount paid in that taxation year for the purchase of a share as first purchaser; or

(e) where the particular taxation year ends on 31 May 2021, the aggregate of

i. \$275,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that ends on 31 May 2020 exceeds the aggregate of all amounts each of which is an amount paid in that taxation year for the purchase of a share as first purchaser.

Amount paid for the purchase of a share.

For the purposes of this section, an amount paid for the purchase of a share includes only the issue price paid in respect of the share.

History: 2017, c. 1, s. 374; 2019, c. 14, s. 443.

Payment of tax.

1129.27.0.3. Where the Fund is required to pay tax under this Part for a year referred to in any of sections 1129.27.0.2 to 1129.27.0.2.2, it shall, not later than the ninetieth day following the end of the year, pay to the Minister the amount of its tax payable under this Part for the year.

History: 2004, c. 21, s. 466; 2010, c. 5, s. 195; 2017, c. 1, s. 375.

Provisions applicable.

1129.27.0.4. Except where inconsistent with this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2004, c. 21, s. 466.

PART III.6.1

**SPECIAL TAX RELATING TO SHARES ISSUED
BY CAPITAL RÉGIONAL ET COOPÉRATIF
DES JARDINS ON OR BEFORE 28 FEBRUARY
2006**

Definitions:

1129.27.1. In this Part,

“capitalization period”;

“capitalization period” means a period within the liability period that is

(a) the period that begins on 1 July 2001 and ends on 31 December 2001;

(b) the period that begins on 1 January 2002 and ends on 28 February 2003;

(c) the period that begins on 1 March 2003 and ends on 29 February 2004;

(d) the period that begins on 31 March 2004 and ends on 28 February 2005; or

(e) the period that begins on 1 March 2005 and ends on 28 February 2006;

“Corporation”;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“cumulative limit amount”;

“cumulative limit amount” applicable in respect of a capitalization period means

(a) \$150,000,000, in respect of the capitalization period that begins on 1 July 2001 and ends on 31 December 2001;

(b) \$300,000,000, in respect of the capitalization period that begins on 1 January 2002 and ends on 28 February 2003;

(c) \$375,000,000, in respect of the capitalization period that begins on 1 March 2003 and ends on 29 February 2004;

(d) \$475,000,000, in respect of the capitalization period that begins on 31 March 2004 and ends on 28 February 2005;

(e) \$575,000,000, in respect of the capitalization period that begins on 1 March 2005 and ends on 28 February 2006;

(f) *(paragraph repealed)*;

(g) *(paragraph repealed)*;

(h) *(paragraph repealed)*;

(i) *(paragraph repealed)*;

(j) *(paragraph repealed)*;

“liability period”;

“liability period” means the period that begins on 1 July 2001 and ends on 28 February 2006;

“paid-up capital”;

“paid-up capital” has the meaning assigned by section 1;

“share”.

“share” means a share or fraction of a share of the capital stock of the Corporation.

History: 2002, c. 9, s. 125; 2002, c. 40, s. 277; 2003, c. 9, s. 401; 2004, c. 21, s. 467; 2005, c. 38, s. 309; 2006, c. 36, s. 236; 2007, c. 12, s. 304.

Tax liability.

1129.27.2. The Corporation is required to pay for a particular capitalization period, a tax under this Part equal to the amount determined by the formula

$$[50\% \times (A - B)] - C.$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is the paid-up capital of the shares of the capital stock of the Corporation at the end of the particular capitalization period;

(b) B is the cumulative limit amount applicable in respect of the particular capitalization period; and

(c) C is any amount of tax that the Corporation is required to pay to the Minister under this section for a preceding capitalization period.

History: 2002, c. 9, s. 125; 2003, c. 9, s. 402.

Return, estimate and payment.

1129.27.3. Where the Corporation is required to pay tax under this Part for a particular capitalization period, the

Corporation shall, on or before 31 May following the end of that particular capitalization period,

(a) file with the Minister, without notice or demand therefor, a return under this Part in prescribed form containing the prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for that particular capitalization period; and

(c) pay to the Minister the amount of its tax payable under this Part for that particular capitalization period.

History: 2002, c. 9, s. 125; 2003, c. 9, s. 403.

Provisions applicable.

1129.27.4. Except where inconsistent with this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2002, c. 9, s. 125.

**PART III.6.1.1
SPECIAL TAX RELATING TO SHARES ISSUED
BY CAPITAL RÉGIONAL ET COOPÉRATIF
DESJARDINS AFTER 23 MARCH 2006**

Definitions:

1129.27.4.1. In this Part,

“annual limit amount”;

“annual limit amount” applicable in respect of a capitalization period means

(a) \$100,000,000, in respect of the capitalization period that begins on 1 March 2007 and ends on 29 February 2008;

(b) subject to paragraphs *c* to *e*, any of the following amounts, in respect of a capitalization period that begins after 29 February 2008:

i. \$150,000,000, if the paid-up capital of the shares of the capital stock of the Corporation is less than \$1,250,000,000 at the end of any previous capitalization period, or

ii. the lesser of \$150,000,000 and the amount corresponding to the reduction in paid-up capital attributable to the aggregate of all the shares redeemed or purchased by agreement by the Corporation in the preceding capitalization period, in any other case;

(c) \$150,000,000, in respect of the capitalization period that begins on 1 March 2015 and ends on 29 February 2016;

(d) \$135,000,000, in respect of the capitalization period that begins on 1 March 2016 and ends on 28 February 2017 and the capitalization period that begins on 1 March 2017 and ends on 28 February 2018; and

(e) \$140,000,000, in respect of each of the following capitalization periods:

i. the capitalization period that begins on 1 March 2018 and ends on 28 February 2019,

ii. the capitalization period that begins on 1 March 2019 and ends on 29 February 2020, and

iii. the capitalization period that begins on 1 March 2020 and ends on 28 February 2021;

“capitalization period”;

“capitalization period” means any of the following periods:

(a) the period that begins on 24 March 2006 and ends on 28 February 2007; and

(b) a period that begins on 1 March of a year subsequent to the year 2006 and ends on the last day of the month of February of the following year;

(c) *(paragraph repealed)*;

(d) *(paragraph repealed)*;

(e) *(paragraph repealed)*;

“Corporation”;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“paid-up capital”;

“paid-up capital” has the meaning assigned by section 1;

“share”.

“share” means a share or fraction of a share of the capital stock of the Corporation.

History: 2006, c. 36, s. 237; 2007, c. 12, s. 304; 2011, c. 6, s. 218; 2015, c. 21, s. 511; 2017, c. 1, s. 376; 2019, c. 14, s. 444.

Tax liability.

1129.27.4.2. The Corporation is required to pay, for a particular capitalization period, a tax under this Part equal to any of the following amounts:

(a) if the particular capitalization period begins on 24 March 2006 and ends on 28 February 2007, 35% of the amount by which \$725,000,000 is exceeded by the paid-up capital of the shares of the capital stock of the Corporation at the end of the particular capitalization period;

(b) if the particular capitalization period begins after 28 February 2007 and before 1 March 2014, the amount determined by the formula

$$50\% \times (A - B);$$

(c) if the particular capitalization period begins after 28 February 2014 and before 1 March 2016, the amount determined by the formula

$$45\% \times (A - B);$$

(d) if the particular capitalization period begins after 29 February 2016 and before 1 March 2018, the amount determined by the formula

$40\% \times (A - B)$; or

(e) if the particular capitalization period begins after 28 February 2018, the amount determined by the formula

$35\% \times (A - B)$.

Interpretation.

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

(a) A is the paid-up capital of the class “A” shares of the capital stock of the Corporation issued during the particular capitalization period; and

(b) B is the annual limit amount applicable in respect of the particular capitalization period.

History: 2006, c. 36, s. 237; 2011, c. 6, s. 219; 2015, c. 21, s. 512; 2017, c. 1, s. 377; 2019, c. 14, s. 445.

Return, estimate and payment.

1129.27.4.3. If the Corporation is required to pay tax under this Part for a particular capitalization period, the Corporation shall, on or before 31 May following the end of that particular capitalization period,

(a) file with the Minister, without notice or demand, a return under this Part for that particular capitalization period in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for that particular capitalization period; and

(c) pay to the Minister the amount of its tax payable under this Part for that particular capitalization period.

History: 2006, c. 36, s. 237; 2009, c. 15, s. 401.

Provisions applicable.

1129.27.4.4. Except where inconsistent with this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2006, c. 36, s. 237.

PART III.6.1.2

SPECIAL TAX RELATING TO SHARE EXCHANGE TRANSACTIONS CARRIED OUT BY CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

Definitions :

1129.27.4.5. In this Part,

“*conversion period*”;

“conversion period” means a period that begins on 1 March of a year subsequent to the year 2017 and preceding the year 2021 and that ends on the last day of the month of February of the following year;

“*Corporation*”;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“*share*”.

“share” means a share or fractional share of the capital stock of the Corporation.

History: 2019, c. 14, s. 446.

Tax liability.

1129.27.4.6. The Corporation is required to pay, for a conversion period, tax under this Part equal to 10% of the amount by which \$100,000,000 is exceeded by the aggregate of all amounts each of which is the value of a consideration that an individual has paid or has undertaken to pay, in the conversion period, for the acquisition of a class “B” share of the capital stock of the Corporation.

History: 2019, c. 14, s. 446.

Rules of application.

1129.27.4.7. For the purposes of section 1129.27.4.6, the following rules apply:

(a) an individual has undertaken to pay, in a conversion period, a consideration for the acquisition of a class “B” share of the capital stock of the Corporation, where the individual has undertaken to purchase such a share under a promise to purchase by way of exchange, within the meaning assigned to that expression by section 8.1 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1), that

i. was made by the individual at a particular time in the conversion period that precedes 19 June 2019, and

ii. was accepted by the Corporation after 9 July 2018, but before 19 June 2019; and

(b) the value of a consideration that an individual has paid or has undertaken to pay for the acquisition of a class “B” share of the capital stock of the Corporation is,

i. in the case of a consideration that the individual has undertaken to pay in accordance with paragraph *a* because of a promise to purchase by way of exchange, the amount determined in respect of the individual, in relation to the promise, under subparagraph *a* of subparagraph 2 of the second paragraph of section 10.1 of the Act constituting Capital régional et coopératif Desjardins, or

ii. in the case of a consideration paid by the individual, the amount determined in respect of the individual, in relation to the consideration, under subparagraph *b* of subparagraph 2 of the second paragraph of section 10.1 of the Act constituting Capital régional et coopératif Desjardins.

History: 2019, c. 14, s. 446.

Return, estimate and payment of tax.

1129.27.4.8. Where the Corporation is required to pay tax under this Part for a conversion period, the Corporation shall, on or before 31 May following the end of that conversion period,

(a) file with the Minister, without notice or demand, a return under this Part for that conversion period in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for that conversion period; and

(c) pay to the Minister the amount of its tax payable under this Part for that conversion period.

History: 2019, c. 14, s. 446.

Provisions applicable.

1129.27.4.9. Unless otherwise provided in this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2019, c. 14, s. 446.

PART III.6.2

SPECIAL TAX RELATING TO THE RECOVERY OF THE TAX CREDIT FOR THE PURCHASE OF CLASS “A” SHARES ISSUED BY CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

Definitions:

1129.27.5. In this Part,

“Corporation”;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“share”.

“share” means a class “A” share or fractional share of the capital stock of the Corporation.

History: 2002, c. 9, s. 125; 2002, c. 40, s. 278; 2007, c. 12, s. 304; 2019, c. 14, s. 448.

Tax liability.

1129.27.6. Subject to section 1129.27.7, where a share is redeemed or purchased by the Corporation less than seven years after its issue date, the individual referred to in section 776.1.5.0.11 or, as the case may be, the person to

whom the share devolved as a consequence of the individual’s death, is required to pay, for the taxation year in which the redemption or purchase is made, a tax under this Part equal to the amount determined by the formula

$$[(2,556 - A) / 2,556] \times B.$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the share referred to in the first paragraph and that ends on the day on which the share is redeemed or purchased by agreement; and

(b) B is the lesser of

i. the product obtained by multiplying the percentage specified in the third paragraph by the amount paid for the purchase of the share by the individual referred to in the first paragraph, and

ii. the amount paid by the Corporation for the redemption or purchase by agreement of the share.

Appropriate percentage.

The percentage to which subparagraph i of subparagraph *b* of the second paragraph refers is

(a) (*subparagraph repealed*);

(b) 50%, if the share referred to in the first paragraph was issued before 1 March 2014;

(c) 45%, if the share referred to in the first paragraph was issued after 28 February 2014 and before 1 March 2016;

(d) 40%, if the share referred to in the first paragraph was issued after 29 February 2016 and before 1 March 2018; or

(e) 35%, if the share referred to in the first paragraph was issued after 28 February 2018.

History: 2002, c. 9, s. 125; 2006, c. 36, s. 238; 2011, c. 6, s. 220; 2015, c. 21, s. 513; 2017, c. 1, s. 378; 2019, c. 14, s. 449.

Exception.

1129.27.7. Section 1129.27.6 does not apply in respect of a share that is redeemed or purchased by the Corporation under

(a) paragraph 3 of section 12 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1); or

(b) a provision of the purchase by agreement policy approved by the Minister of Finance in accordance with the second paragraph of section 11 of the Act referred to in paragraph *a*, under which the Corporation may purchase by

agreement a share it issued because no amount was deducted in respect of the share under section 776.1.5.0.11.

History: 2002, c. 9, s. 125.

Withholding and payment of tax.

1129.27.8. Where the Corporation redeems or purchases a share in respect of which tax is payable under section 1129.27.6, the following rules apply:

(a) the Corporation is required to withhold the amount of tax, on behalf of the person who is liable to pay the tax, from the amount paid or credited by the Corporation to that person because of the redemption or purchase of the share; and

(b) the Corporation is required to pay to the Minister the amount so withheld on behalf of that person within 30 days following the day on which the share is redeemed or purchased.

History: 2002, c. 9, s. 125.

Payment of tax by the Corporation.

1129.27.9. The Corporation is required to pay, on behalf of the person who is liable to pay the tax referred to in section 1129.27.6, any amount that the Corporation did not withhold under section 1129.27.8, and it is authorized to recover the amount so paid from that person.

History: 2002, c. 9, s. 125.

Provisions applicable.

1129.27.10. Except where inconsistent with this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2002, c. 9, s. 125; 2004, c. 21, s. 468.

PART III.6.2.1

SPECIAL TAXES RELATING TO THE RECOVERY OF THE TAX CREDITS FOR THE EXCHANGE OF SHARES ISSUED BY CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

Definitions :

1129.27.10.1. In this Part,

“Corporation”;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“promise to purchase by way of exchange”;

“promise to purchase by way of exchange” has the meaning assigned by section 8.1 of the Act constituting Capital régional et coopératif Desjardins;

“share”.

“share” means a share or fractional share of the capital stock of the Corporation.

History: 2019, c. 14, s. 450.

Tax payable.

1129.27.10.2. Where an individual has deducted, from the individual’s tax otherwise payable under Part I for a taxation year, an amount under section 776.1.5.0.15.2 in respect of the value of a consideration the individual has undertaken to pay, in the form of a share, under a promise to purchase by way of exchange and where, before the payment of the consideration, the share is redeemed or purchased by agreement by the Corporation, the individual or, as the case may be, the person to whom the share devolved as a consequence of the individual’s death, is required to pay, for the taxation year in which the redemption or purchase by agreement is made, tax under this Part equal to the lesser of

(a) the product obtained by multiplying by 10% the amount determined under the third paragraph of section 776.1.5.0.15.2 in respect of the value of the consideration; and

(b) the amount paid by the Corporation for the redemption or purchase by agreement of the share.

Presumption.

For the purposes of the first paragraph, where an individual has not deducted, from the individual’s tax otherwise payable under Part I for a taxation year, an amount under section 776.1.5.0.15.2, but the individual’s eligible spouse for the year, within the meaning of sections 776.41.1 to 776.41.4, has deducted, from the eligible spouse’s tax otherwise payable under Part I for the year, an amount, under section 776.41.5, a portion of which may reasonably be attributed to a deduction provided for in section 776.1.5.0.15.2 to which the individual was entitled for the year in respect of the value of a consideration the individual has undertaken to pay, in the form of a share, under a promise to purchase by way of exchange, the individual is deemed to have deducted, from the individual’s tax otherwise payable under Part I for the year, an amount in that respect under section 776.1.5.0.15.2.

History: 2019, c. 14, s. 450.

Special tax.

1129.27.10.3. Subject to section 1129.27.10.4, where a class “B” share of the capital stock of the Corporation is redeemed or purchased by agreement by the Corporation less than seven years after its issue date, the individual to whom section 776.1.5.0.15.4 applies, or to whom section 776.1.5.0.15.2 applies if the share was issued as a consequence of a promise to purchase by way of exchange, or, as the case may be, the person to whom the share devolved as a consequence of the individual’s death, is

required to pay, for the taxation year in which the redemption or purchase by agreement is made, tax under this Part equal to the amount determined by the formula

$$[(2,556 - A)/2,556] \times B.$$

Formula elements.

In the formula in the first paragraph,

(a) A is the number of days in the period that begins on the issue date of the share referred to in the first paragraph or, if the share was issued as a consequence of a promise to purchase by way of exchange, on the day that promise was accepted by the Corporation and that ends on the day the share is redeemed or purchased by agreement; and

(b) B is the lesser of the amount paid by the Corporation for the redemption or purchase by agreement of the share and,

i. if the share was issued as a consequence of a promise to purchase by way of exchange, the product obtained by multiplying by 10% the amount determined, under the third paragraph of section 776.1.5.0.15.2, in respect of the value of the consideration that the individual has undertaken to pay under the promise for the purchase of the share, or

ii. in any other case, the product obtained by multiplying by 10% the amount determined, under the third paragraph of section 776.1.5.0.15.4, in respect of the value of the consideration that the individual has paid for the purchase of the share.

History: 2019, c. 14, s. 450.

Exceptions.

1129.27.10.4. Section 1129.27.10.3 does not apply in respect of a class “B” share of the capital stock of the Corporation that is redeemed or purchased by agreement by the Corporation under

(a) paragraph 3 of section 12 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1); or

(b) a provision of the purchase by agreement policy approved by the Minister of Finance in accordance with the second paragraph of section 11 of the Act constituting Capital régional et coopératif Desjardins, under which the Corporation may purchase by agreement a share it issued because no amount was deducted in respect of the share under section 776.1.5.0.15.2 or 776.1.5.0.15.4.

History: 2019, c. 14, s. 450.

Withholding and payment of tax.

1129.27.10.5. Where the Corporation redeems or purchases a share forming a consideration payable under a promise to purchase by way of exchange, or a class “B” share of its capital stock, in respect of which tax is payable

under section 1129.27.10.2 or 1129.27.10.3, as the case may be, the following rules apply:

(a) the Corporation is required to withhold the amount of that tax, on behalf of the person who is liable to pay it, from the amount paid or credited by the Corporation to that person because of the redemption or purchase of the share; and

(b) the Corporation is required to pay to the Minister the amount so withheld on behalf of that person within 30 days following the day on which the share is redeemed or purchased.

History: 2019, c. 14, s. 450.

Payment of tax by the Corporation.

1129.27.10.6. The Corporation is required to pay, on behalf of the person who is liable to pay the tax referred to in section 1129.27.10.2 or 1129.27.10.3, as the case may be, any amount that the Corporation did not withhold under section 1129.27.10.5, and it is authorized to recover the amount so paid from that person.

History: 2019, c. 14, s. 450.

Provisions applicable.

1129.27.10.7. Unless otherwise provided in this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2019, c. 14, s. 450.

PART III.6.3

(Repealed).

1129.27.11. *(Repealed).*

History: 2003, c. 9, s. 404; 2007, c. 12, s. 304; 2017, c. 1, s. 379.

1129.27.12. *(Repealed).*

History: 2003, c. 9, s. 404; 2004, c. 21, s. 469; 2017, c. 1, s. 379.

1129.27.13. *(Repealed).*

History: 2003, c. 9, s. 404; 2017, c. 1, s. 379.

1129.27.14. *(Repealed).*

History: 2003, c. 9, s. 404; 2017, c. 1, s. 379.

PART III.6.4

SPECIAL TAX RELATING TO THE CREDIT FOR THE HIRING OF FINANCIAL DERIVATIVES SPECIALISTS

Definitions.

1129.27.15. In this Part, “qualified wages”, “unused portion of the tax credit” and “wages” have the meaning assigned by section 776.1.7.

History: 2007, c. 12, s. 254; 2010, c. 25, s. 211.

Payment of tax.

1129.27.16. Every corporation that has deducted an amount under section 776.1.8 or 776.1.9 for a taxation year shall pay the tax computed under the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages paid by the corporation to an individual for a taxation year preceding the repayment year, other than an amount described in subparagraph i or ii of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 776.1.7, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or obtained by a person or partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount deducted by the corporation for a taxation year preceding the repayment year under section 776.1.8 or under section 776.1.9 in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the repayment year exceeds the total of

(a) the aggregate of all amounts each of which is the maximum amount that the corporation could have deducted under section 776.1.8 for a particular taxation year preceding the repayment year if it had had sufficient tax payable under Part I for the particular taxation year and if, for the purposes of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 776.1.7,

i. any amount referred to in the first paragraph for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages paid by the corporation to an individual for the particular taxation year, that is received or obtained at or before the end of the repayment year, had been received or obtained in the particular taxation year, and

ii. any amount referred to in the first paragraph of section 776.1.15 for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages paid by the corporation to an individual for the particular taxation year, that is paid or deemed to be paid under section 776.1.16 at or before the end of the repayment year, had been paid or deemed to be paid in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 2007, c. 12, s. 254.

Deemed repayment of assistance.

1129.27.17. For the purposes of Part I, except Title III.3 of Book V, the tax paid at any time by a corporation to the Minister under section 1129.27.16 in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the qualified wages, pursuant to a legal obligation.

History: 2007, c. 12, s. 254.

Provisions applicable.

1129.27.18. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2007, c. 12, s. 254.

PART III.6.5**SPECIAL TAX RELATING TO THE
NON-REFUNDABLE TAX CREDIT FOR THE
DEVELOPMENT OF E-BUSINESS****Interpretation.**

1129.27.19. In this Part, “unused portion of the tax credit” of a corporation for a taxation year has the meaning assigned by section 776.1.19.

History: 2015, c. 36, s. 162.

Tax payable.

1129.27.20. Every corporation that has deducted an amount under section 776.1.20 or 776.1.21 for a taxation year shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages, for the purposes of Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX of Part I, paid by the corporation to an individual for a taxation year preceding the repayment year, other than an amount described in subparagraph i or ii of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.79, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or obtained by a person or partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount deducted by the corporation for a taxation year preceding the repayment year under section 776.1.20 or under section 776.1.21 in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the repayment year exceeds the total of

(a) the aggregate of all amounts each of which is the maximum amount that the corporation could have deducted under section 776.1.20 for a particular taxation year preceding the repayment year if it had had sufficient tax payable under Part I for the particular taxation year and if, for the purposes of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.79,

i. any amount referred to in the first paragraph for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages, for the purposes of Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX of Part I, paid by the corporation to an individual for the particular taxation year, that is received or obtained at or before the end of the repayment year, had been received or obtained in the particular taxation year, and

ii. any amount referred to in the first paragraph of section 776.1.24 for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages, for the purposes of Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX of Part I, paid by the corporation to an individual for the particular taxation year, that is paid or deemed to be paid under section 776.1.25 at or before the end of the repayment year, had been paid or deemed to be paid in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 2015, c. 36, s. 162.

Deemed repayment of assistance.

1129.27.21. For the purposes of Part I, except Title III.4 of Book V and Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.27.20 in relation to qualified wages, for the purposes of that Division II.6.0.1.9, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the qualified wages, pursuant to a legal obligation.

History: 2015, c. 36, s. 162.

Provisions applicable.

1129.27.22. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 36, s. 162.

PART III.6.6

SPECIAL TAX RELATING TO THE NON-REFUNDABLE TAX CREDIT FOR INTERNATIONAL FINANCIAL CENTRES

Definitions.

1129.27.23. In this Part, “qualified wages”, “unused portion of the tax credit” and “wages” have the meaning assigned by section 776.1.27.

History: 2017, c. 1, s. 380.

Tax liability.

1129.27.24. Every corporation that has deducted an amount under section 776.1.28 or 776.1.29 for a taxation year shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages paid by the corporation to an individual for a taxation year preceding the repayment year, other than an amount described in subparagraph *i* or *ii* of paragraph *b* of the definition of “qualified wages” in section 776.1.27, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or obtained by a person or a partnership.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount deducted by the corporation for a taxation year preceding the repayment year under section 776.1.28 or under section 776.1.29 in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the repayment year exceeds the total of

(a) the aggregate of all amounts each of which is the maximum amount that the corporation could have deducted under section 776.1.28 for a particular taxation year preceding the repayment year if it had had sufficient tax payable under Part I for the particular taxation year and if, for the purposes of paragraph *b* of the definition of “qualified wages” in section 776.1.27,

i. any amount referred to in the first paragraph for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages paid by the corporation to an individual for the particular taxation year, that is received or obtained at or before the end of the repayment year, had been received or obtained in the particular taxation year, and

ii. any amount referred to in the first paragraph of section 776.1.32 for the repayment year or for a preceding taxation year, relating to wages included in computing the qualified wages paid by the corporation to an individual for the particular taxation year, that is paid or deemed to be paid under section 776.1.33 at or before the end of the repayment

year, had been paid or deemed to be paid in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 2017, c. 1, s. 380.

Deemed repayment of assistance.

1129.27.25. For the purposes of Part I, except Title III.5 of Book V, the tax paid at any time by a corporation to the Minister under section 1129.27.24 in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the corporation in respect of the qualified wages, pursuant to a legal obligation.

History: 2017, c. 1, s. 380.

Provisions applicable to this Part.

1129.27.26. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2017, c. 1, s. 380.

PART III.7

SPECIAL DUTIES RELATING TO THE TRANSFER OF AN IMMOVABLE MADE BEFORE 18 MARCH 2016

Definitions:

1129.28. In this Part,

“*person*”;

“*person*” means a person within the meaning assigned by section 1;

“*transfer*”;

“*transfer*” means a transfer within the meaning assigned by section 1 of the Act respecting duties on transfers of immovables (chapter D-15.1);

“*transfer duties*”.

“*transfer duties*” means the duties payable under section 2 of the Act respecting duties on transfers of immovables.

History: 1993, c. 64, s. 191; 1994, c. 22, s. 344; 1997, c. 3, s. 71; 2002, c. 40, s. 279; 2007, c. 12, s. 304.

Immovable.

1129.28.1. In this Part, where there is a transfer of a corporeal immovable and of movables which are permanently physically attached or joined to the immovable without losing their individuality and without being incorporated with the immovable, and which, in the immovable, are used for the operation of a business or the

pursuit of activities, the word “immovable” refers to the whole formed by the immovable and the movables.

History: 1994, c. 22, s. 345.

Liability for special duties.

1129.29. Where, at any time, control of a corporation is acquired by a person or group of persons, where an immovable has been transferred to the corporation before 18 March 2016 and in the 24 months preceding that time, where the transfer is exempt from the payment of transfer duties under section 19 of the Act respecting duties on transfers of immovables (chapter D-15.1) and where it may reasonably be considered that the immovable was transferred in contemplation of the acquisition of control of the corporation by the person or group of persons, the corporation shall pay to the Minister, within 30 days from the date of sending of a notice of assessment, special duties equal to 125% of the amount of the transfer duties that would have been payable following the transfer if that section 19 had not been applicable in respect of the transfer and, where the transfer is not registered, if it had been registered.

History: 1993, c. 64, s. 191; 1994, c. 22, s. 346; 1997, c. 3, s. 71; 2004, c. 4, s. 16; 2017, c. 1, s. 382.

Remittance to the Minister of Municipal Affairs, Regions and Land Occupancy.

1129.30. The Minister shall pay to the Minister of Municipal Affairs, Regions and Land Occupancy an amount representing four-fifths of the special duties collected under section 1129.29 and shall transmit to him any information he may need in order to forward such amount to the municipality in whose territory the immovable transferred is situated.

History: 1993, c. 64, s. 191; 1999, c. 43, s. 13(25); 2003, c. 19, s. 250; 2005, c. 28, s. 196; 2009, c. 26, s. 109.

Acquisition of a right contemplated in par. *b* of s. 20.

1129.31. A taxpayer who acquires a right contemplated in paragraph *b* of section 20 is thereby deemed to acquire the shares to which the right applies if it may reasonably be concluded that one of the principal aims of the acquisition of the right was to avoid the application of section 1129.29.

History: 1993, c. 64, s. 191.

Directors' liability.

1129.32. Any director of a particular corporation contemplated in section 1129.29 who was in office immediately before the immovable contemplated in that section is again disposed of or transferred, whether in the context of a winding-up or otherwise, and, where applicable, any other corporation by which the particular corporation is controlled, in any manner whatsoever, and any director of that other corporation who was in office at that time, are solidarily liable with the particular corporation for the

payment of the special duties prescribed by the said section 1129.29.

History: 1993, c. 64, s. 191; 1995, c. 1, s. 199; 1997, c. 3, s. 71.

Provisions applicable.

1129.33. Except where inconsistent with this Part, sections 21.2 to 21.3.1 and 21.4, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, and sections 1010 and 1014 apply to this Part, with the necessary modifications.

Transfers between brothers and sisters.

For the purposes of section 21.3, paragraph *a* of section 21 shall read as if the reference therein to “if one is the child, other descendant, brother or sister of the other” were a reference to “if one is the child or other descendant of the other”.

History: 1993, c. 64, s. 191; 1995, c. 1, s. 362; 1995, c. 63, s. 261; 1997, c. 85, s. 306; 2006, c. 13, s. 210.

PART III.7.0.1 SPECIAL DUTIES RELATING TO THE TRANSFER OF AN IMMOVABLE MADE AFTER 17 MARCH 2016

Definitions:

1129.33.0.1. In this Part,

“transfer”;

“transfer” has the meaning assigned by section 1 of the Act respecting duties on transfers of immovables (chapter D-15.1);

“transfer duties”.

“transfer duties” means the duties provided for in section 2 of the Act respecting duties on transfers of immovables and in the first and second paragraphs of section 4.1 of that Act.

History: 2017, c. 1, s. 383.

Immovable.

1129.33.0.2. In this Part, where there is a transfer of a corporeal immovable and of movables which are permanently physically attached or joined to the immovable without losing their individuality and without being incorporated with the immovable, and which, in the immovable, are used for the operation of a business or the pursuit of activities, “immovable” refers to the whole formed by the immovable and the movables.

History: 2017, c. 1, s. 383.

Special duties.

1129.33.0.3. A transferee to whom the second paragraph of section 6 of the Act respecting duties on transfers of immovables (chapter D-15.1) applies who fails to file the notice of disclosure of the transfer of an immovable referred

to in that second paragraph within the time limit provided for in that paragraph, although the transferee was required to do so, shall pay to the Minister, within 30 days from the date of sending of a notice of assessment, special duties equal to 150% of the amount of the transfer duties that would be payable in respect of the transfer if that Act were read without reference to its Chapter III, increased by the amount of interest, computed at the rate provided for in section 28 of the Tax Administration Act (chapter A-6.002), on the amount of those special duties from the date by which the transferee was required to file the notice of disclosure until the day of payment.

Where transfer duties paid before the sending of the notice of assessment.

However, where the transferee fails to file the notice of disclosure of the transfer of the immovable within the time limit provided for in the second paragraph of section 6 of the Act respecting duties on transfers of immovables, although the transferee was required to do so, and where, after the expiry of that time, the transferee pays to the municipality in whose territory the immovable is situated the transfer duties owed in respect of the transfer before the sending of the notice of assessment referred to in the first paragraph, the amount that the transferee shall pay to the Minister as special duties under the first paragraph is deemed to be equal to the third of the special duties otherwise determined, increased by the amount of interest computed at the rate provided for in section 28 of the Tax Administration Act on that deemed amount from the date by which the transferee was required to file the notice of disclosure until the day of payment.

History: 2017, c. 1, s. 383.

Special duties.

1129.33.0.4. A transferee to whom the second paragraph of section 6.1 of the Act respecting duties on transfers of immovables (chapter D-15.1) applies who fails to file the notice of disclosure referred to in that second paragraph in respect of an immovable within the time limit provided for in that paragraph shall pay to the Minister, within 30 days from the date of sending of a notice of assessment, special duties equal to 150% of the amount of the transfer duties payable in respect of the immovable under the first or second paragraph of section 4.1 of that Act, increased by the amount of interest, computed at the rate provided for in section 28 of the Tax Administration Act (chapter A-6.002), on the amount of those special duties from the date by which the transferee was required to file the notice of disclosure until the day of payment.

Exception.

However, where the transferee fails to file the notice of disclosure within the time limit provided for in the second paragraph of section 6.1 of the Act respecting duties on transfers of immovables and where, after the expiry of that time, the transferee pays to the municipality in whose territory the immovable is situated the transfer duties owed in

respect of the immovable before the sending of the notice of assessment referred to in the first paragraph, the amount that the transferee shall pay to the Minister as special duties under the first paragraph in respect of the immovable is deemed to be equal to a third of the special duties otherwise determined, increased by the amount of interest computed at the rate provided for in section 28 of the Tax Administration Act on that deemed amount from the date by which the transferee was required to file the notice of disclosure until the day of payment.

History: 2017, c. 1, s. 383.

Remittance.

1129.33.0.5. The Minister shall pay to the Minister of Municipal Affairs, Regions and Land Occupancy an amount representing two-thirds of the special duties collected under the first paragraph of section 1129.33.0.3 or 1129.33.0.4 and shall transmit to that Minister any information that Minister may need in order to forward such amount to the municipality in whose territory the immovable that is the subject of special duties is situated.

History: 2017, c. 1, s. 383; 2017, c. 29, s. 215.

Provisions applicable to this Part.

1129.33.0.6. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, and sections 1010 and 1014 apply to this Part, with the necessary modifications.

History: 2017, c. 1, s. 383.

PART III.7.1

SPECIAL TAX RELATING TO THE USE OF LESS POLLUTING DRY-CLEANING TECHNOLOGY

Definitions.

1129.33.1. In this Part, “acquisition costs” and “qualified property” have the meaning assigned by the first paragraph of section 1029.8.21.4.

History: 1997, c. 85, s. 307; 2003, c. 9, s. 405; 2007, c. 12, s. 255.

Tax payable.

1129.33.2. Every taxpayer who is deemed to have paid to the Minister, under section 1029.8.21.5, an amount as partial payment of tax payable for any taxation year under Part I, in relation to acquisition costs in respect of qualified property, shall pay tax, for a particular taxation year, equal

(a) to the amount by which the aggregate of all amounts each of which is an amount the taxpayer is deemed to have paid to the Minister, under section 1029.8.21.5, in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is tax the taxpayer is required to pay under this section in respect of the property for a taxation year preceding the particular year, where

i. at any time between the taxpayer’s filing-due date for the preceding taxation year and the day after the earlier of the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the taxpayer and the taxpayer’s filing-due date for the particular year, the property ceases, otherwise than by reason of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the property, to be used solely in Québec to earn income from a dry-cleaning business operated

(1) by the taxpayer, and that time is also within the portion of that period in which the taxpayer owns the property, or

(2) by a person who acquired the property from the taxpayer in any of the circumstances described in section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), and that time is also within the portion of that period in which the person owns the property, or

ii. on or before the taxpayer’s filing-due date for the particular year, the validation certificate issued to the taxpayer in relation to the qualified property is revoked; or

(b) where paragraph *a* does not apply to the particular year nor has been applied to a preceding taxation year in relation to the property and where, during the particular year, an amount relating to those acquisition costs, in respect of which the taxpayer is deemed, under section 1029.8.21.5, to have paid an amount for a taxation year preceding the particular year, is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer, to the amount obtained by applying to the amount so refunded, paid or allocated the percentage applied to the acquisition costs for that preceding year under section 1029.8.21.5.

History: 1997, c. 85, s. 307; 2000, c. 39, s. 264; 2007, c. 12, s. 256; 2009, c. 15, s. 402.

Tax payable.

1129.33.3. Every taxpayer who is a member of a partnership and who is deemed to have paid to the Minister, under section 1029.8.21.6, an amount as partial payment of tax payable under Part I for any taxation year in respect of the taxpayer’s share of an amount of the acquisition costs incurred by the partnership, in respect of a qualified property, in the partnership’s fiscal period ending in that year, shall pay, for a particular taxation year, the aggregate of

(a) the amount by which the aggregate of all amounts each of which is an amount the taxpayer is deemed to have paid to the Minister, under section 1029.8.21.6, in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is tax the taxpayer is required to pay under this section in respect of the property for a taxation year preceding the particular year, where

i. at any time between the day that is six months after the end of the partnership's fiscal period ending in the preceding taxation year and the day after the earlier of the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the partnership and the day that is six months after the end of the partnership's fiscal period ending in the particular year, the property ceases, otherwise than by reason of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the property, to be used solely in Québec to earn income from a dry-cleaning business operated

(1) by the partnership, and that time is also within the portion of that period in which the partnership owns the property, or

(2) by a person who acquired the property from the partnership in any of the circumstances described in section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), and that time is also within the portion of that period in which the person owns the property, or

ii. on or before the day that is six months after the end of the partnership's fiscal period ending in the particular year, the validation certificate issued to the partnership in relation to the qualified property is revoked;

(b) where paragraph *a* does not apply to the particular year nor has been applied to a preceding taxation year in relation to the property and where, during a fiscal period of the partnership ending in the particular year, an amount relating to those acquisition costs, in respect of which the taxpayer is deemed, under section 1029.8.21.6, to have paid an amount, in relation to the taxpayer's share of those costs, for a taxation year preceding the particular year, is, directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership, the amount obtained by applying to the taxpayer's share of the amount so refunded, paid or allocated the percentage applied to the taxpayer's share of the amount of the acquisition costs for the particular taxation year under section 1029.8.21.6; and

(c) where paragraph *a* does not apply in the particular year nor has been applied to a preceding taxation year in relation to the property and, in the particular year, an amount relating to those acquisition costs, in respect of which the taxpayer is deemed, under section 1029.8.21.6, to have paid an amount in relation to the taxpayer's share of those costs, for a taxation year preceding the particular year, is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer, the amount obtained by applying to the amount so refunded, paid or allocated the percentage applied to the taxpayer's share of the amount of the acquisition costs for the particular taxation year under section 1029.8.21.6.

Taxpayer's share.

For the purposes of the first paragraph, the taxpayer's share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership's fiscal period that ends in the particular taxation year.

History: 1997, c. 85, s. 307; 2000, c. 39, s. 264; 2007, c. 12, s. 257; 2009, c. 15, s. 403.

Repayment of assistance.

1129.33.4. For the purposes of Part I, the following rules apply:

(a) tax paid to the Minister by a taxpayer at any time, under section 1129.33.2, in relation to property is deemed to be an amount of assistance repaid by the taxpayer at that time in respect of the property, pursuant to a legal obligation; and

(b) tax paid to the Minister by a taxpayer at any time, under section 1129.33.3, in relation to property is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of that property, pursuant to a legal obligation.

History: 1997, c. 85, s. 307; 2001, c. 7, s. 169; 2009, c. 15, s. 404.

Provisions applicable.

1129.33.5. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1997, c. 85, s. 307.

PART III.8 SPECIAL TAX RELATING TO THE CREDIT FOR TRAINING

Definition.

1129.34. In this Part, "qualified training expenditure" has the meaning assigned by Division II.5 of Chapter III.1 of Title III of Book IX of Part I.

History: 1995, c. 1, s. 191; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 280; 2005, c. 23, s. 249; 2007, c. 12, s. 258.

Tax payable.

1129.35. Every corporation that is deemed to have paid to the Minister, under Division II.5 of Chapter III.1 of Title III of Book IX of Part I, an amount as partial payment of its tax payable under that Part for a particular taxation year shall, where during a subsequent taxation year, an amount related to a qualified training expenditure or to its share of such an expenditure, in respect of which the corporation is so deemed to have paid an amount, is, directly or indirectly, refunded or

otherwise paid to the corporation or allocated to a payment to be made by the corporation, pay for that subsequent year tax equal to the amount obtained by applying to the amount so refunded, paid or allocated, the percentage that was applied to the qualified training expenditure for the particular year under section 1029.8.25, or to its share of such an expenditure under section 1029.8.25.1.

History: 1995, c. 1, s. 191; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2007, c. 12, s. 259.

Tax payable.

1129.36. Every corporation that is a member of a partnership and that is deemed to have paid to the Minister, under section 1029.8.25.1, an amount as partial payment of its tax payable under Part I for a particular taxation year in respect of its share of a qualified training expenditure incurred by the partnership in a fiscal period of the partnership shall, where during a subsequent fiscal period of the partnership, an amount related to that expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership, pay, for the taxation year in which that subsequent fiscal period ends, tax equal to the amount obtained by applying to its share of the amount so refunded, paid or allocated, the percentage that was applied to its share of the qualified training expenditure for the particular taxation year under section 1029.8.25.1.

Corporation's share.

For the purposes of the first paragraph, the corporation's share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the corporation for the partnership's fiscal period that ends in the particular taxation year.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 233; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2007, c. 12, s. 260; 2009, c. 15, s. 405.

Provisions applicable.

1129.37. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1995, c. 1, s. 191; 1995, c. 49, s. 236; 1995, c. 63, s. 261.

PART III.9 SPECIAL TAX RELATING TO THE CREDIT FOR ON-THE-JOB TRAINING PERIODS

Definition.

1129.38. In this Part, "qualified expenditure" has the meaning assigned by Division II.5.1 of Chapter III.1 of Title III of Book IX of Part I.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 234; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 281; 2007, c. 12, s. 261.

Tax payable.

1129.39. Every taxpayer who is deemed to have paid to the Minister, under Division II.5.1 of Chapter III.1 of Title III of Book IX of Part I, an amount as partial payment of the taxpayer's tax payable under that Part for a particular taxation year shall, where during a subsequent taxation year, an amount relating to a qualified expenditure or to the taxpayer's share of such an expenditure, in respect of which the taxpayer is so deemed to have paid an amount is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer, pay for that subsequent year tax equal to the amount obtained by applying to the amount so refunded, paid or allocated the percentage applied for the particular year to the qualified expenditure under section 1029.8.33.6 or to the taxpayer's share of such an expenditure under section 1029.8.33.7.

Amount excluded.

However, the first paragraph applies in respect of an amount refunded, paid or allocated only to the extent,

(a) where the qualified expenditure to which the amount relates was made by the taxpayer, that the amount of the expenditure exceeds the amount that would be determined if each of the particular amounts taken into account for the purpose of determining that amount were reduced, where applicable, by every amount that, not later than in the subsequent taxation year referred to in the first paragraph, was refunded or otherwise paid to the taxpayer or allocated to a payment he was required to make, in respect of the particular amount;

(b) where the qualified expenditure to which the amount relates was made by a partnership in a fiscal period, that the taxpayer's share of the amount of the expenditure, determined in accordance with sections 1029.8.33.7 and 1029.8.33.7.1, exceeds the share that would have been so determined had the amount of the expenditure been determined on the assumption that each of the particular amounts taken into account for the purpose of determining that amount had been reduced, where applicable, by the amount determined in its respect in accordance with the third paragraph.

Amount excluded.

The amount referred to in subparagraph *b* of the second paragraph in respect of a particular amount is the quotient obtained by dividing the aggregate of all amounts each of which is an amount relating to the particular amount and which, not later than in the subsequent taxation year referred to in the first paragraph, was refunded or otherwise paid to the taxpayer or allocated to a payment he was required to make, by the proportion described in the third paragraph of section 1029.8.33.7 in respect of the qualified expenditure referred to in subparagraph *b*.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 235; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2004, c. 21, s. 470; 2007, c. 12, s. 262.

Tax payable.

1129.40. Every taxpayer who is a member of a partnership and who is deemed to have paid to the Minister, under section 1029.8.33.7, an amount as partial payment of the taxpayer's tax payable under Part I for a particular taxation year in respect of the taxpayer's share of the amount of a qualified expenditure made by the partnership in a particular fiscal period of the partnership that ends in that particular year, shall, where during a subsequent fiscal period of the partnership, an amount relating to that expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership, pay, for the taxation year in which that subsequent fiscal period ends, tax equal to the amount obtained by applying to the taxpayer's share of the amount so refunded, paid or allocated the percentage applied to the taxpayer's share of the qualified expenditure for the particular taxation year under section 1029.8.33.7.

Taxpayer's share.

For the purposes of the first paragraph, the taxpayer's share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership's particular fiscal period.

Amount excluded.

However, the first paragraph applies in respect of an amount refunded, paid or allocated only to the extent that the amount of the qualified expenditure to which the amount relates exceeds the amount that would be determined if each of the particular amounts taken into account for the purpose of determining that amount were reduced, where applicable, by every amount that, not later than in the subsequent fiscal period referred to in the first paragraph, was refunded or otherwise paid to the partnership or allocated to a payment it was required to make, in respect of the particular amount.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 235; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2004, c. 21, s. 471; 2007, c. 12, s. 263; 2009, c. 15, s. 406.

Deemed repayment of assistance.

1129.40.1. For the purposes of Part I, except Division II.5.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time under this Part, in relation to a qualified expenditure, is deemed to be an amount of assistance repaid at that time in respect of the expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.40, in the case of tax paid under that section; or

(b) the taxpayer, in any other case.

History: 2015, c. 21, s. 514.

Provisions applicable.

1129.41. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1995, c. 1, s. 191; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 1997, c. 31, s. 135.

PART III.9.0.1**SPECIAL TAX RELATING TO THE CREDIT FOR LABOUR TRAINING IN THE MANUFACTURING, FORESTRY AND MINING SECTORS****Interpretation.**

1129.41.0.1. In this Part, "eligible training expenditure" has the meaning assigned by the first paragraph of section 1029.8.33.11.1.

History: 2009, c. 15, s. 407.

Tax payable.

1129.41.0.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.33.11.3, on account of its tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.3 or 1029.8.33.11.7, in relation to the eligible training expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.3 or 1029.8.33.11.7, in relation to the eligible training expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible training expenditure.

History: 2009, c. 15, s. 407.

Tax payable.

1129.41.0.3. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.33.11.4, on account of the corporation's tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure of the partnership for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.33.11.4, 1029.8.33.11.8 and 1029.8.33.11.9, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.33.11.4, 1029.8.33.11.8 and 1029.8.33.11.9, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible training expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2009, c. 15, s. 407.

Deemed repayment of assistance.

1129.41.0.4. For the purposes of Part I, except Division II.5.1.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time in respect of that expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.41.0.3, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.

History: 2009, c. 15, s. 407.

Provisions applicable.

1129.41.0.5. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2009, c. 15, s. 407.

PART III.9.0.2
SPECIAL TAX RELATING TO THE CREDIT FOR
FRANCIZATION IN THE WORKPLACE

Interpretation.

1129.41.0.6. In this Part, “eligible training expenditure” has the meaning assigned by the first paragraph of section 1029.8.33.11.11.

History: 2009, c. 15, s. 407.

Tax payable.

1129.41.0.7. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.33.11.13, on account of its tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.13 or 1029.8.33.11.17, in relation to the eligible training expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.13 or 1029.8.33.11.17, in relation to the eligible training expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible training expenditure.

History: 2009, c. 15, s. 407.

Tax payable.

1129.41.0.8. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.33.11.14, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure of the partnership for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this

section referred to as the “fiscal period of repayment”) in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.33.11.14, 1029.8.33.11.18 and 1029.8.33.11.19, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.33.11.14, 1029.8.33.11.18 and 1029.8.33.11.19, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible training expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of

the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2009, c. 15, s. 407.

Deemed repayment of assistance.

1129.41.0.9. For the purposes of Part I, except Division II.5.1.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time in respect of that expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.41.0.8, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.

History: 2009, c. 15, s. 407.

Provisions applicable.

1129.41.0.10. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2009, c. 15, s. 407.

PART III.9.0.3

SPECIAL TAX RELATING TO THE CREDIT FOR THE TRAINING OF WORKERS EMPLOYED BY SMALL AND MEDIUM-SIZED BUSINESSES

Definition.

1129.41.0.11. In this Part, “eligible training fees” has the meaning assigned by the first paragraph of section 1029.8.33.11.21.

History: 2019, c. 14, s. 451.

Tax payable.

1129.41.0.12. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.33.11.22, on account of its tax payable under Part I for a particular taxation year, in relation to eligible training fees, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to salary or wages considered in the eligible training fees is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.22 or 1029.8.33.11.26, in relation to the eligible training fees, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.22 or 1029.8.33.11.26, in relation to the eligible training fees, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the salary or wages considered in the eligible training fees, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible training fees.

History: 2019, c. 14, s. 451.

Tax payable.

1129.41.0.13. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.33.11.23, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to eligible training fees of the partnership for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to salary or wages considered in the eligible training fees is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.33.11.23, 1029.8.33.11.27 and 1029.8.33.11.28, in relation to the eligible training fees, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.33.11.23, 1029.8.33.11.27 and 1029.8.33.11.28, for a taxation year in

which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible training fees, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the salary or wages considered in the eligible training fees, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible training fees, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2019, c. 14, s. 451.

Deemed repayment of assistance.

1129.41.0.14. For the purposes of Part I, except Division II.5.1.3 of Chapter III.1 of Title III of Book IX, the following rules are taken into consideration:

(a) tax paid to the Minister by a corporation at any time, under section 1129.41.0.12, in relation to eligible training fees, is deemed to be an amount of assistance repaid by the corporation at that time in respect of those fees, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.41.0.13, in relation to eligible training fees of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of those fees, pursuant to a legal obligation.

History: 2019, c. 14, s. 451.

Provisions applicable.

1129.41.0.15. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2019, c. 14, s. 451.

**PART III.9.1
SPECIAL TAX RELATING TO THE CREDIT IN
RESPECT OF TIP REPORTING**

Definition.

1129.41.1. In this Part, “qualified expenditure” has the meaning assigned by section 1029.8.33.12.

History: 1997, c. 85, s. 308; 2007, c. 12, s. 264.

Tax liability.

1129.41.2. Every taxpayer who, in relation to a qualified expenditure, is deemed to have paid an amount to the Minister, under section 1029.8.33.13 or 1029.8.33.14, on account of the taxpayer's tax payable under Part I for a particular taxation year shall, where, during a subsequent taxation year, an amount relating to a qualified expenditure or to the taxpayer's share of an aggregate of qualified expenditures, in respect of which the taxpayer is so deemed to have paid an amount is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer, pay, for that subsequent year, a tax equal to

(a) where a percentage was applied for the particular year to reduce the qualified expenditure under section 1029.8.33.13 or 1029.8.33.14, the product obtained by multiplying the amount so refunded, paid or allocated by that percentage; and

(b) in any other case, the amount so refunded, paid or allocated.

History: 1997, c. 85, s. 308; 2000, c. 39, s. 240; 2004, c. 21, s. 472.

Tax liability.

1129.41.3. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.33.14, on account of the taxpayer's tax payable under Part I for a particular taxation year in respect of the taxpayer's share of an aggregate of qualified expenditures determined in respect of the partnership for a fiscal period of the partnership shall, where, during a subsequent fiscal period of the partnership, an amount relating to such expenditures is, directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership, pay, for the taxation year in which that subsequent fiscal period ends, a tax equal to the taxpayer's share, for that subsequent fiscal period, of

(a) where a percentage was applied, for the fiscal period that ends in the particular taxation year, to reduce the qualified expenditure under section 1029.8.33.14, the product obtained by multiplying the amount so refunded, paid or allocated by that percentage; and

(b) in any other case, the amount so refunded, paid or allocated.

History: 1997, c. 85, s. 308; 2000, c. 39, s. 240; 2004, c. 21, s. 472.

Tax payable in relation to an indemnity.

1129.41.3.1. Every taxpayer who, in relation to a qualified expenditure referred to in subparagraph *d* of the third paragraph of section 1029.8.33.13, is deemed to have paid an amount to the Minister, under that section, on account of the taxpayer's tax payable under Part I for a particular taxation year shall, where, on or before the day that is 12 months after the taxpayer's filing-due date for that particular year, part or all of the aggregate of the indemnities pertaining to the annual leave which constitutes the qualified expenditure has not been paid to the employees, pay, for the taxation year in which the 12-month period following the taxpayer's filing-due date for the particular taxation year ends, a tax equal to

(a) where a percentage was applied for the particular year to reduce the qualified expenditure under section 1029.8.33.13, the product obtained by multiplying the aggregate of part or all of the indemnities that have not been paid and the amount payable under the provisions mentioned in subparagraphs *i* and *iii* to *v* of paragraph *a* of the definition of "qualified expenditure" in section 1029.8.33.12 in relation to the indemnities, by that percentage; and

(b) in any other case, the aggregate described in paragraph *a*.

History: 2000, c. 39, s. 241; 2004, c. 21, s. 472; 2005, c. 38, s. 310.

Tax payable by a member of a partnership in relation to an indemnity.

1129.41.3.2. Every taxpayer who is a member of a partnership and who, in relation to the taxpayer's share of a qualified expenditure referred to in subparagraph *d* of the fourth paragraph of section 1029.8.33.14, is deemed to have paid an amount to the Minister, under that section, on account of the taxpayer's tax payable under Part I for a particular taxation year in which a particular fiscal period of the partnership ended shall, where, on or before the day that is 18 months after the end of the particular fiscal period, part or all of the aggregate of the indemnities pertaining to the annual leave which constitutes the qualified expenditure has not been paid to the employees, pay, for the taxation year in which the 18-month period following the end of the particular fiscal period ends, a tax equal to the taxpayer's share of

(a) where a percentage was applied for the particular fiscal period to reduce the qualified expenditure under

section 1029.8.33.14, the product obtained by multiplying the aggregate of part or all of the indemnities that have not been paid and the amount payable under the provisions mentioned in subparagraphs *i* and *iii* to *v* of paragraph *a* of the definition of "qualified expenditure" in section 1029.8.33.12 in relation to the indemnities, by that percentage; and

(b) in any other case, the aggregate described in paragraph *a*.

History: 2000, c. 39, s. 241; 2004, c. 21, s. 472; 2005, c. 38, s. 311.

Repayment of assistance.

1129.41.4. For the purposes of Part I, except Division II.5.2 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) the tax paid to the Minister by a taxpayer at any time, under section 1129.41.2 or 1129.41.3.1, in relation to a qualified expenditure is deemed to be an amount of assistance repaid by the taxpayer at that time in respect of that expenditure, pursuant to a legal obligation; and

(b) the tax paid to the Minister by a taxpayer at any time, under section 1129.41.3 or 1129.41.3.2, in relation to a qualified expenditure is deemed to be an amount of assistance repaid by the partnership referred to in that section at that time in respect of that expenditure, pursuant to a legal obligation.

History: 1997, c. 85, s. 308; 2000, c. 39, s. 242.

Provisions applicable.

1129.41.5. Except where inconsistent with this Part, sections 1000 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1997, c. 85, s. 308.

PART III.10

SPECIAL TAX RELATING TO THE DESIGN TAX CREDIT

Interpretation.

1129.42. In this Part, "contract payment", "qualified designer", "qualified outside consultant", "qualified patternmaker" and "wages" have the meaning assigned by section 1029.8.36.4.

History: 1995, c. 1, s. 191; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 282; 2006, c. 13, s. 211; 2007, c. 12, s. 265; 2009, c. 5, s. 523.

Tax payable.

1129.43. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.5, on account of its tax payable under Part I for a particular taxation year, in respect of an expenditure incurred by the

corporation in the particular year in relation to a design activity carried out under a contract entered into with a qualified outside consultant, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which

(a) an amount relating to the expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) a contract payment, government assistance or non-government assistance is received by a person or partnership and the contract payment or assistance would have reduced, in accordance with subparagraph *a* of the first paragraph of section 1029.8.36.18, the wages paid to a qualified designer or qualified patternmaker by the person or partnership and to which the expenditure is attributable, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation’s filing-due date for the particular taxation year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.5 or 1029.8.36.20, in relation to the expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.5 or 1029.8.36.20, in relation to the expenditure, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to the expenditure, were refunded, paid or allocated in the particular taxation year, and

ii. every contract payment, government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by the person or partnership at or before the end of the repayment year, were received in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the expenditure.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 236; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2006, c. 13, s. 212; 2009, c. 5, s. 524.

Tax payable.

1129.44. Every corporation that is a member of a particular partnership and that is deemed to have paid an

amount to the Minister, under section 1029.8.36.6, on account of its tax payable under Part I for a particular taxation year, in respect of an expenditure that, in relation to a design activity carried out under a contract entered into with a qualified outside consultant, the particular partnership incurred in the particular partnership’s particular fiscal period that ends in the particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the particular partnership (in this section referred to as the “fiscal period of repayment”) in which

(a) an amount relating to the expenditure is, directly or indirectly, refunded or otherwise paid to the particular partnership or to the corporation or allocated to a payment to be made by the particular partnership or the corporation; or

(b) a contract payment, government assistance or non-government assistance is received by a person or another partnership and the contract payment or assistance would have reduced, in accordance with subparagraph *i* of subparagraph *c* of the first paragraph of section 1029.8.36.18, the corporation’s share of wages that are paid to a qualified designer or qualified patternmaker by the person or the other partnership and to whom the expenditure is attributable, if the person or the other partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the day that is six months after the end of the particular fiscal period.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the particular partnership preceding the fiscal period of repayment ends, under any of sections 1029.8.36.6, 1029.8.36.21 and 1029.8.36.22, in relation to the expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.6, 1029.8.36.21 and 1029.8.36.22, for a taxation year in which a fiscal period of the particular partnership preceding the fiscal period of repayment ends, in relation to the expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment and if

i. every amount that is so refunded, paid or allocated at or before the end of the fiscal period of repayment, in relation to the expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. every contract payment, government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by the person or the other partnership at or before the end of the fiscal period of repayment, were received in the particular fiscal period; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the expenditure, if the agreed proportion in respect of the corporation for the particular partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph *i* of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the particular partnership or allocated to a payment to be made by the particular partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 1995, c. 1, s. 191; 1995, c. 63, s. 236; 1997, c. 3, s. 71; 2000, c. 39, s. 264; 2006, c. 13, s. 212; 2006, c. 36, s. 239; 2009, c. 5, s. 525; 2009, c. 15, s. 408.

Tax payable.

1029.44.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.7, on account of its tax payable under Part I for a particular taxation year in relation to wages incurred in that particular year shall pay the tax computed under the second paragraph for a subsequent taxation year, in this section referred to as the "repayment year", in which an amount relating to the wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.7 or 1029.8.36.23, in relation to the wages, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.7 or 1029.8.36.23, in relation to the wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in

relation to the wages, were refunded, paid or allocated in the particular year; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the wages.

History: 2006, c. 13, s. 213.

Tax payable.

1029.44.2. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister, under section 1029.8.36.7.1, on account of its tax payable under Part I for a particular taxation year, in relation to wages incurred by the partnership in a particular fiscal period of the partnership that ends in the particular year, shall pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the "fiscal period of repayment", in which an amount relating to the wages is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year, under any of sections 1029.8.36.7.1, 1029.8.36.23.1 and 1029.8.36.23.2, in relation to the wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.7.1, 1029.8.36.23.1 and 1029.8.36.23.2, for a taxation year, in relation to the wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the wages, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the

preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2006, c. 13, s. 213; 2006, c. 36, s. 240; 2009, c. 15, s. 409.

Deemed repayment of assistance.

1129.44.2.1. For the purposes of Part I, except Division II.6.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under this Part, in relation to an expenditure or wages incurred, as the case may be, is deemed to be an amount of assistance repaid at that time in respect of the expenditure or wages, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.44 or 1129.44.2, as the case may be, if the tax arises from an amount directly or indirectly, refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.

History: 2015, c. 21, s. 515.

1129.44.3. *(Repealed).*

History: 2006, c. 13, s. 213; 2007, c. 12, s. 266.

Provisions applicable.

1129.45. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564, where it refers to that first paragraph, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1995, c. 1, s. 191; 1995, c. 49, s. 236; 1995, c. 63, s. 261.

PART III.10.0.1

SPECIAL TAX RELATING TO THE CREDIT FOR THE ACQUISITION OF PIG MANURE TREATMENT FACILITIES

Definitions:

1129.45.0.1. In this Part,

“eligible expenses”;

“eligible expenses” has the meaning assigned by the first paragraph of section 1029.8.36.53.10;

“eligible facility”.

“eligible facility” has the meaning assigned by the first paragraph of section 1029.8.36.53.10.

History: 2007, c. 12, s. 267.

Tax payable.

1129.45.0.2. Every taxpayer that is deemed to have paid an amount to the Minister, under section 1029.8.36.53.11, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the taxpayer for the particular year, in respect of an eligible facility, shall pay the tax computed under the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.53.11 or 1029.8.36.53.17, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.53.11 or 1029.8.36.53.17, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

History: 2007, c. 12, s. 267.

Tax payable.

1129.45.0.3. Every taxpayer that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.53.12, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the partnership for the partnership’s particular fiscal period that ends in that particular year, in respect of an eligible facility, shall pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of

repayment”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.53.12, 1029.8.36.53.18 and 1029.8.36.53.19, in relation to the eligible expenses, if the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under any of sections 1029.8.36.53.12, 1029.8.36.53.18 and 1029.8.36.53.19, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Rules applicable.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 2007, c. 12, s. 267; 2009, c. 15, s. 410.

Deemed repayment of assistance.

1129.45.0.4. For the purposes of Part I, except for Division II.6.4.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time, under this Part, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time in respect of those expenses pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.0.3, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by the partnership; or

(b) the taxpayer, in any other case.

History: 2007, c. 12, s. 267.

Provisions applicable.

1129.45.0.5. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2007, c. 12, s. 267.

PART III.10.0.2

SPECIAL TAX RELATING TO THE CREDIT IN RESPECT OF INTEREST PAYABLE ON FINANCING OBTAINED UNDER THE SELLER-LENDER FORMULA OF LA FINANCIÈRE AGRICOLE DU QUÉBEC

Meaning of “eligible expenses”.

1129.45.0.6. In this Part, “eligible expenses” has the meaning assigned by the first paragraph of section 1029.8.36.53.20.1.

History: 2015, c. 24, s. 157.

Tax payable in cases of refund or payment relating to a taxpayer’s eligible expenses.

1129.45.0.7. Every taxpayer who is deemed to have paid an amount to the Minister, under section 1029.8.36.53.20.2, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the taxpayer for the particular year, in respect of qualified financing, is required to pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which

is an amount that the taxpayer is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.53.20.2 or 1029.8.36.53.20.6, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.53.20.2 or 1029.8.36.53.20.6, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

History: 2015, c. 24, s. 157.

Tax payable in cases of refund or payment relating to a partnership's eligible expenses.

1129.45.0.8. Every taxpayer who is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.53.20.3, on account of the taxpayer's tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the partnership for the partnership's particular fiscal period that ends in that particular year, in respect of qualified financing, is required to pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends (in this section referred to as the "fiscal period of repayment") in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.53.20.3, 1029.8.36.53.20.7 and 1029.8.36.53.20.8, in relation to the eligible expenses, if the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under any of sections 1029.8.36.53.20.3, 1029.8.36.53.20.7 and 1029.8.36.53.20.8, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Rules where amount refunded or paid to a member of a partnership.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 2015, c. 24, s. 157.

Deemed repayment of assistance.

1129.45.0.9. For the purposes of Part I, except for Division II.6.4.2.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time, under this Part, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time in respect of those expenses, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.0.8, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by the partnership; or

(b) the taxpayer, in any other case.

History: 2015, c. 24, s. 157.

Provisions applicable to this Part.

1129.45.0.10. Unless otherwise provided for in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the

first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 24, s. 157.

PART III.10.1 **SPECIAL TAX RELATING TO THE** **CONSTRUCTION OR CONVERSION OF VESSELS**

Interpretation.

1129.45.1. In this Part, “construction expenditure”, “conversion expenditure”, “cost of construction”, “cost of conversion”, “eligible vessel”, “qualified construction expenditure” and “qualified conversion expenditure” have the meaning assigned by Division II.6.5 of Chapter III.1 of Title III of Book IX of Part I.

History: 1997, c. 14, s. 267; 1999, c. 83, s. 252; 2002, c. 40, s. 283; 2007, c. 12, s. 304; 2009, c. 5, s. 526.

Tax payable.

1129.45.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.55, on account of its tax payable under Part I, in relation to an eligible vessel, shall pay the tax computed under the second paragraph for a taxation year (in this section referred to as the “repayment year”) in which

(a) an amount relating to an expenditure included in computing a qualified construction expenditure of the corporation in respect of the vessel, or the cost of construction of the vessel to the corporation is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) government assistance or non-government assistance is received by a person or partnership and the assistance would have reduced, in accordance with subparagraph *a.1* of the third paragraph of section 1029.8.36.54 or subparagraph *i* of subparagraph *a* of the second paragraph of section 1029.8.36.55, the amount of a portion of a consideration paid in respect of a construction expenditure of the corporation in respect of the vessel or the cost of construction of the vessel to the corporation, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation’s filing-due date for the taxation year in which the corporation paid the portion of the consideration or incurred the portion of the cost of construction to which the assistance relates.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.55, in relation to the eligible vessel, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, in relation to the vessel, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to an expenditure included in computing a qualified construction expenditure of the corporation in respect of the vessel or in computing the cost of construction of the vessel to the corporation, were refunded, paid or allocated in the taxation year in which the corporation incurred the expenditure to which the amount refunded, paid or allocated relates, and

ii. every government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or partnership at or before the end of the repayment year, were received in the taxation year in which the corporation paid the portion of the consideration or incurred the portion of the cost of construction to which the assistance relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the vessel.

History: 1997, c. 14, s. 267; 1999, c. 83, s. 253; 2002, c. 40, s. 284; 2009, c. 5, s. 527.

Tax payable.

1129.45.2.1. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.55.1, on account of its tax payable under Part I, in relation to an eligible vessel, shall pay the tax computed under the second paragraph for a taxation year (in this section referred to as the “repayment year”) in which

(a) an amount relating to an expenditure included in computing a qualified conversion expenditure of the corporation in respect of the vessel, or the cost of conversion of the vessel to the corporation is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) government assistance or non-government assistance is received by a person or partnership and the assistance would have reduced, in accordance with subparagraph *a.1* of the third paragraph of section 1029.8.36.54 or subparagraph *i* of subparagraph *a* of the second paragraph of section 1029.8.36.55.1, the amount of a portion of a consideration paid in respect of a conversion expenditure of the corporation in respect of the vessel or the cost of conversion of the vessel to the corporation, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation’s filing-due date for the taxation year in which the corporation paid the portion of the consideration or incurred the portion of the cost of conversion to which the assistance relates.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.55.1, in relation to the eligible vessel, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, in relation to the vessel, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to an expenditure included in computing a qualified conversion expenditure of the corporation in respect of the vessel or in computing the cost of conversion of the vessel to the corporation, were refunded, paid or allocated in the taxation year in which the corporation incurred the expenditure to which the amount refunded, paid or allocated relates, and

ii. every government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or partnership at or before the end of the repayment year, were received in the taxation year in which the corporation paid the portion of the consideration or incurred the portion of the conversion cost to which the assistance relates; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the vessel.

History: 2002, c. 40, s. 285; 2009, c. 5, s. 528.

Deemed repayment of assistance.

1129.45.2.2. For the purposes of Part I, except Division II.6.5 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under section 1129.45.2 or 1129.45.2.1, in relation to an expenditure, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure, pursuant to a legal obligation.

History: 2015, c. 21, s. 516.

Provisions applicable.

1129.45.3. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1997, c. 14, s. 267.

PART III.10.1.1**SPECIAL TAX RELATING TO THE CREDIT FOR RAILWAY UNDERTAKINGS****Definition.**

1129.45.3.1. In this Part, “property taxes” has the meaning assigned by section 1029.8.36.59.1.

History: 2000, c. 39, s. 243; 2001, c. 51, s. 228; 2007, c. 12, s. 268.

Tax payable.

1129.45.3.2. Every taxpayer who is deemed to have paid an amount to the Minister, under section 1029.8.36.59.2, on account of its tax payable for a particular taxation year under Part I, in relation to the taxpayer’s property taxes for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the property taxes is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.59.2 or 1029.8.36.59.5, in relation to the property taxes, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.59.2 or 1029.8.36.59.5, in relation to the property taxes, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the property taxes, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the property taxes.

History: 2000, c. 39, s. 243; 2002, c. 40, s. 286.

Tax payable.

1129.45.3.3. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.36.59.3, on account of the taxpayer’s tax payable for a particular taxation year under Part I, in relation to property taxes of the partnership for a particular fiscal period of the partnership that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to the property taxes is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.59.3, 1029.8.36.59.6 and 1029.8.36.59.7, in relation to the property taxes, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under any of sections 1029.8.36.59.3, 1029.8.36.59.6 and 1029.8.36.59.7, for a taxation year, in relation to the property taxes, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the property taxes, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the property taxes, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer, or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 2000, c. 39, s. 243; 2002, c. 40, s. 286; 2006, c. 36, s. 241; 2009, c. 15, s. 411.

Deemed repayment of assistance.

1129.45.3.4. For the purposes of Part I, except Division II.6.5.1 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) the tax that a taxpayer pays to the Minister at any time under section 1129.45.3.2 in relation to property taxes is deemed to be an amount of assistance repaid by the taxpayer at that time in respect of the property taxes pursuant to a legal obligation; and

(b) the tax that a taxpayer pays to the Minister at any time under section 1129.45.3.3 in relation to property taxes is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the property taxes pursuant to a legal obligation.

History: 2000, c. 39, s. 243.

Provisions applicable.

1129.45.3.5. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2000, c. 39, s. 243; 2002, c. 40, s. 287.

PART III.10.1.1.1**SPECIAL TAX RELATING TO THE CREDIT FOR THE CONSTRUCTION AND MAJOR REPAIR OF PUBLIC ACCESS ROADS AND BRIDGES IN FOREST AREAS****Definitions:**

1129.45.3.5.1. In this Part,

“eligible access road or bridge”;

“eligible access road or bridge” has the meaning assigned by section 1029.8.36.59.12;

“eligible expenses”.

“eligible expenses” has the meaning assigned by section 1029.8.36.59.12.

History: 2005, c. 1, s. 282; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.5.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.13, on account of its tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the corporation for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which

is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.13 or 1029.8.36.59.16, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.13 or 1029.8.36.59.16, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

History: 2005, c. 1, s. 282; 2007, c. 12, s. 269.

Tax payable.

1129.45.3.5.3. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.14, on account of its tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the partnership for the partnership's particular fiscal period that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the "fiscal period of repayment", in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.59.14, 1029.8.36.59.17 and 1029.8.36.59.18, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.59.14, 1029.8.36.59.17 and 1029.8.36.59.18, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2005, c. 1, s. 282; 2006, c. 36, s. 243; 2009, c. 15, s. 412.

Amount deemed refunded.

1129.45.3.5.4. For the purposes of sections 1129.45.3.5.2 and 1129.45.3.5.3, the amount determined in the second paragraph, in relation to eligible expenses of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of an eligible access road or bridge of the corporation or partnership, is deemed to be refunded to the corporation in a subsequent taxation year, in this section referred to as the "repayment year", or to the partnership in a subsequent fiscal period, in this section referred to as the "fiscal period of repayment", where the Minister of Natural Resources and Wildlife revokes, in the repayment year or in the fiscal period of repayment, the certificate that was issued in respect of the eligible access road or bridge.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the aggregate of the eligible expenses of the corporation for the particular year, or of the partnership for the particular fiscal period, exceeds the aggregate of all amounts each of which is an amount relating to those expenses that, in a taxation year preceding the repayment year but subsequent to the particular year, or in a fiscal period preceding the fiscal period of repayment but subsequent to the particular fiscal period, was refunded, otherwise paid or allocated to a payment to be made by the corporation or partnership.

Exception.

No tax is payable for a taxation year under section 1129.45.3.5.2 or 1129.45.3.5.3, in respect of any amount that is refunded or otherwise paid to the corporation, the partnership or another corporation that is a member of the partnership, or is allocated to a payment to be made by the corporation, the partnership or the other corporation, if that amount is included in an amount that is deemed to have been refunded, under this section, in that taxation year or a preceding taxation year or in a fiscal period that ends in that taxation year or in a preceding taxation year.

History: 2005, c. 1, s. 282; 2006, c. 3, s. 35.

Deemed repayment of assistance.

1129.45.3.5.5. For the purposes of Part I, except for Division II.6.5.3 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.2, in relation to eligible expenses is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenses, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.3, in relation to eligible expenses is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the expenses, pursuant to a legal obligation.

History: 2005, c. 1, s. 282.

Provisions applicable.

1129.45.3.5.6. Except where inconsistent with this Part, section 6, the first paragraph of 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2005, c. 1, s. 282.

PART III.10.1.1.2**SPECIAL TAX RELATING TO THE CREDIT TO PROMOTE THE HIRING OF NEW GRADUATES IN THE RESOURCE REGIONS****Definitions:**

1129.45.3.5.7. In this Part,

“eligible employee”;

“eligible employee” has the meaning assigned by section 1029.8.36.59.21;

“qualified wages”;

“qualified wages” has the meaning assigned by the first paragraph of section 1029.8.36.59.21;

“wages”.

“wages” has the meaning assigned by the first paragraph of section 1029.8.36.59.21.

History: 2005, c. 1, s. 282; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.5.8. Every taxpayer who is deemed to have paid an amount to the Minister, under section 1029.8.36.59.24, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to qualified wages incurred in the particular year in respect of an eligible employee, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.24 or 1029.8.36.59.27, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.59.24 or 1029.8.36.59.27, in relation to wages included in computing the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2005, c. 1, s. 282.

Tax payable.

1129.45.3.5.9. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.36.59.25, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to qualified wages incurred by the partnership, in respect of an eligible employee, in a particular fiscal period of the partnership that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the partnership or

taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.59.25, 1029.8.36.59.28 and 1029.8.36.59.29, in relation to the qualified wages, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under any of sections 1029.8.36.59.25, 1029.8.36.59.28 and 1029.8.36.59.29, for a taxation year, in relation to the qualified wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified wages, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer, or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 2005, c. 1, s. 282; 2006, c. 36, s. 244; 2009, c. 15, s. 413.

Deemed repayment of assistance.

1129.45.3.5.10. For the purposes of Part I, except for Division II.6.5.4 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a taxpayer at any time, under section 1129.45.3.5.8, in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the taxpayer in respect of the wages pursuant to a legal obligation; and

(b) tax paid to the Minister by a taxpayer at any time, under section 1129.45.3.5.9, in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the wages pursuant to a legal obligation.

History: 2005, c. 1, s. 282.

Provisions applicable.

1129.45.3.5.11. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2005, c. 1, s. 282.

PART III.10.1.1.3

SPECIAL TAX RELATING TO THE CREDIT FOR DAMAGE INSURANCE FIRMS

Meaning of "qualified expenditure".

1129.45.3.5.12. In this Part, "qualified expenditure" has the meaning assigned by section 1029.8.36.59.42.

History: 2015, c. 21, s. 517.

Tax liability.

1129.45.3.5.13. Every corporation that is deemed to have paid an amount to the Minister under section 1029.8.36.59.44, on account of its tax payable under Part I, in relation to a qualified expenditure, shall pay the tax computed under the second paragraph for a taxation year (in this section referred to as the "repayment year") in which an amount relating to an expenditure included in computing the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.44

or 1029.8.36.59.47, in relation to the qualified expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under either of those sections, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in computing the qualified expenditure, were refunded, paid or allocated in the corporation's last taxation year ended before 1 January 2013; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

History: 2015, c. 21, s. 517.

Deemed repayment of assistance.

1129.45.3.5.14. For the purposes of Part I, except for Division II.6.5.7 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under this Part, in relation to a qualified expenditure of the corporation, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure, pursuant to a legal obligation.

History: 2015, c. 21, s. 517.

Provisions applicable to this Part.

1129.45.3.5.15. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 517.

PART III.10.1.1.4

SPECIAL TAX RELATING TO THE CREDIT TO FOSTER THE RETENTION OF EXPERIENCED WORKERS

Definitions.

1129.45.3.5.16. In this Part, “qualified expenditure” and “specified expenditure” have the meaning assigned by section 1029.8.36.59.49.

History: 2020, c. 16, s. 184.

Tax payable.

1129.45.3.5.17. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.50, on account of its tax payable under Part I for a particular taxation year, in relation to its qualified expenditure or its specified expenditure, shall pay the tax

computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the qualified expenditure or the specified expenditure, as the case may be, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.50 or 1029.8.36.59.54, in relation to the qualified expenditure or the specified expenditure, as the case may be, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.50 or 1029.8.36.59.54, in relation to the qualified expenditure or the specified expenditure, as the case may be, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the qualified expenditure or the specified expenditure, as the case may be, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure or the specified expenditure, as the case may be.

History: 2020, c. 16, s. 184.

Tax payable.

1129.45.3.5.18. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.59.50, on account of the corporation's tax payable under Part I for a particular taxation year, in relation to a qualified expenditure or specified expenditure of the partnership for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the qualified expenditure or the specified expenditure, as the case may be, is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal

period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.59.50, 1029.8.36.59.55 and 1029.8.36.59.56, in relation to the qualified expenditure or the specified expenditure, as the case may be, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.59.50, 1029.8.36.59.55 and 1029.8.36.59.56, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the qualified expenditure or the specified expenditure, as the case may be, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the qualified expenditure or the specified expenditure, as the case may be, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified expenditure or the specified expenditure, as the case may be, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2020, c. 16, s. 184.

Deemed repayment of assistance.

1129.45.3.5.19. For the purposes of Part I, except Division II.6.5.8 of Chapter III.1 of Title III of Book IX, the following rules are taken into consideration:

(a) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.17, in relation to its qualified expenditure or its specified expenditure, is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.18, in relation to the qualified expenditure or the specified expenditure of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of that expenditure, pursuant to a legal obligation.

History: 2020, c. 16, s. 184.

Provisions applicable.

1129.45.3.5.20. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2020, c. 16, s. 184.

PART III.10.1.2

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE OPTICS INDUSTRY IN THE QUÉBEC AREA

Definitions:

1129.45.3.6. In this Part,

“*base period*”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.1;

“*recognized business*”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.1;

“*salary or wages*”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.1.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2001, c. 51, s. 218; 2007, c. 12, s. 304.

Payment of tax.

1129.45.3.7. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.2 or 1029.8.36.72.3, on account of the corporation's tax payable under Part I, for any

taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in its base period for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.2, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. the aggregate of all amounts each of which is an amount paid by the corporation in a taxation year preceding the particular taxation year and is a repayment to which this subparagraph has applied;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in its base period for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.3, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business in the Québec area for its taxation year in which the preceding calendar year ended, the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount paid in a taxation year preceding the particular taxation year and is a repayment to which this subparagraph has applied;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation for its base period, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.4 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year, in this paragraph referred to as the “particular group”, and with which the corporation was associated at that time, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the corporation for the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the corporation in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.4 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.4 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount paid, in a calendar year preceding the particular calendar year, by a member corporation of the particular group and is a repayment of assistance, relating to such a salary or wages, to which this subparagraph has applied;

(d) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.2 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in the base period of the corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.2 in respect of the corporation in

relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied;

(e) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.3 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in the Québec area for its taxation year in which the preceding calendar year ended, other than a salary or wages paid in the base period of the other corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied; and

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.4 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than salary or wages paid in the base period of the other corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of

section 1029.8.36.72.3 in respect of the corporation for the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.4 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.4 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied.

History: 2001, c. 51, s. 218; 2002, c. 40, s. 288; 2004, c. 21, s. 473.

Deemed repayment of assistance.

1129.45.3.8. For the purposes of Part I, except for Division II.6.6.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages, pursuant to a legal obligation.

History: 2001, c. 51, s. 218.

Provisions applicable.

1129.45.3.9. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.8 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2001, c. 51, s. 218.

PART III.10.1.3

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE ALUMINUM INDUSTRY IN THE SAGUENAY-LAC-SAINT-JEAN AREA

Definitions:

1129.45.3.10. In this Part,

“*base period*”;

“base period” has the meaning assigned by section 1029.8.36.72.15;

“recognized business”;

“recognized business” has the meaning assigned by section 1029.8.36.72.15;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.15.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2001, c. 51, s. 218; 2002, c. 40, s. 289; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.10.1. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.16 or 1029.8.36.72.17, on account of its tax payable under Part I for any taxation year, shall pay for a particular taxation year a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister, under section 1029.8.36.72.16 or 1029.8.36.72.17, in relation to the salaries or wages for the taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages for a taxation year preceding the particular year, if in the particular year, Investissement Québec revokes a qualification certificate issued to the corporation for the purposes of Division II.6.6.2 of Chapter III.1 of Title III of Book IX of Part I.

History: 2002, c. 40, s. 290.

Payment of tax.

1129.45.3.11. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.16 or 1029.8.36.72.17, on account of the corporation’s tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of the following amounts, except where section 1129.45.3.10.1 applies in relation to the salaries or wages for the taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.16, determined in its respect, that relates to a calendar year preceding the particular calendar

year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.17, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be

considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.18 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.18 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.18 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(*d*) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.16 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.16 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation

in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied;

(*e*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.17 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in the Saguenay–Lac-Saint-Jean area, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied; and

(*f*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.18 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of the other corporation in relation to that recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.18 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.18 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied.

History: 2001, c. 51, s. 218; 2002, c. 40, s. 291; 2003, c. 9, s. 406; 2004, c. 21, s. 474.

Deemed repayment of assistance.

1129.45.3.12. For the purposes of Part I, except for Division II.6.6.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages, pursuant to a legal obligation.

History: 2001, c. 51, s. 218.

Provisions applicable.

1129.45.3.13. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.22 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2001, c. 51, s. 218.

PART III.10.1.4

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE MANUFACTURING OR ENVIRONMENTAL SECTOR IN THE ANGUS TECHNOPOLE

Definitions:

1129.45.3.14. In this Part,

“base period”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.29;

“recognized business”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.29;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.29.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2001, c. 51, s. 218; 2007, c. 12, s. 304.

Payment of tax.

1129.45.3.15. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.30 or 1029.8.36.72.31, on account of the corporation’s tax payable under Part I, for any taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in its base period for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.30, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. the aggregate of all amounts each of which is an amount paid by the corporation in a taxation year preceding the particular taxation year and is a repayment to which this subparagraph has applied;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in its base period for the purpose of computing the amount

referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.31, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business in the Angus Technopole for its taxation year in which the preceding calendar year ended, the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount paid in a taxation year preceding the particular taxation year and is a repayment to which this subparagraph has applied;

(*c*) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation for its base period for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.32 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year, in this paragraph referred to as the “particular group”, and with which the corporation was associated at that time, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the corporation for the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the corporation in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.32 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.32 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount paid, in a calendar year preceding the particular calendar

year, by a member corporation of the particular group and is a repayment of assistance relating to such a salary or wages to which this subparagraph has applied;

(*d*) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.30 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than salary or wages paid in the base period of the corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.30 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied;

(*e*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.31 determined in respect of the corporation, in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in the Angus Technopole for its taxation year in which the preceding calendar year ended, other than salary or wages paid in the base period of the other corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied; and

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to the salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.32 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than salary or wages paid in the base period of the other corporation in relation to that preceding calendar year, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the corporation for the preceding calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the corporation in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.32 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.32 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied.

History: 2001, c. 51, s. 218; 2002, c. 40, s. 292; 2004, c. 21, s. 475.

Deemed repayment of assistance.

1129.45.3.16. For the purposes of Part I, except for Division II.6.6.3 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages, pursuant to a legal obligation.

History: 2001, c. 51, s. 218.

Provisions applicable.

1129.45.3.17. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.36 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2001, c. 51, s. 218.

PART III.10.1.5

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE GASPÉSIE REGION AND IN CERTAIN MARITIME REGIONS OF QUÉBEC

Definitions:

1129.45.3.18. In this Part,

“*base period*”;

“base period” has the meaning assigned by section 1029.8.36.72.43;

“*eligible region*”;

“eligible region” has the meaning assigned by the first paragraph of section 1029.8.36.72.43;

“*recognized business*”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.43;

“*salary or wages*”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.43.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2002, c. 9, s. 126; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.18.1. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.44 or 1029.8.36.72.45, on account of its tax payable under Part I for any taxation year, shall pay for a particular taxation year a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister, under section 1029.8.36.72.44 or 1029.8.36.72.45, in relation to the salaries or wages for the taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages for a taxation year preceding the particular year, if in the particular year, Investissement Québec revokes a qualification certificate

issued to the corporation for the purposes of Division II.6.6.4 of Chapter III.1 of Title III of Book IX of Part I.

Presumption.

The cancellation by Investissement Québec, at the request of a corporation, of a qualification certificate issued to the corporation, in relation to a recognized business referred to in paragraph *b* or *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.43, or in paragraph *f* of that definition in relation to a business whose activities are related to the activities of a business referred to in that paragraph *b* or *e*, does not constitute a revocation of the certificate for the purposes of this Part.

History: 2002, c. 40, s. 293; 2005, c. 23, s. 250.

Payment of tax.

1129.45.3.19. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.44 or 1029.8.36.72.45, on account of the corporation’s tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of the following amounts, except where section 1129.45.3.18.1 applies in relation to the salaries or wages for the taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.44, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.45, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.46 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the corporation, in

relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.46 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.46 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(*d*) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.44 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.44 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied;

(*e*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.45 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in an eligible region, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business,

is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied; and

(*f*) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.46 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of the other corporation in relation to that recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.46 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.46 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in

relation to the salary or wages, to which this paragraph has applied.

History: 2002, c. 9, s. 126; 2002, c. 40, s. 294; 2003, c. 9, s. 407; 2004, c. 21, s. 476.

Deemed repayment of assistance.

1129.45.3.20. For the purposes of Part I, except for Division II.6.6.4 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2002, c. 9, s. 126.

Provisions applicable.

1129.45.3.21. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.49 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 9, s. 126.

PART III.10.1.6

SPECIAL TAX RELATING TO THE CREDITS FOR THE DEVELOPMENT OF THE FIELDS OF BIOTECHNOLOGY AND NUTRACEUTICALS

Definitions:

1129.45.3.22. In this Part,

“base period”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.56;

“eligibility period”;

“eligibility period” has the meaning assigned by section 1029.8.36.72.56;

“eligible employee”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.72.56;

“recognized business”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.56;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.56.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2002, c. 9, s. 126; 2004, c. 21, s. 478; 2007, c. 12, s. 304.

Tax payable if a qualification certificate issued in relation to a recognized business is revoked.

1129.45.3.22.1. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under Division II.6.6.5 of Chapter III.1 of Title III of Book IX of Part I, on account of its tax payable under Part I for any taxation year, shall pay for a particular taxation year a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister, under that division, in relation to the salaries or wages, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages for a taxation year preceding the particular year, if in the particular year, Investissement Québec revokes a qualification certificate issued to the corporation in relation to the recognized business for the purposes of that division.

History: 2004, c. 21, s. 479.

Payment of tax.

1129.45.3.23. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under Division II.6.6.5 of Chapter III.1 of Title III of Book IX of Part I, on account of the corporation's tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of the following amounts, except where section 1129.45.3.22.1 applies in relation to the salaries or wages for the particular taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.57 or 1029.8.36.72.61.1, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.59 or

1029.8.36.72.61.3 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.59 or 1029.8.36.72.61.3 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.59 or 1029.8.36.72.61.3 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(d) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.57 or 1029.8.36.72.61.1 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.57 or 1029.8.36.72.61.1 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in

relation to the salary or wages, to which this subparagraph has applied;

(e) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 determined in respect of the corporation, in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business, other than salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied; and

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.59 or 1029.8.36.72.61.3 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.59 or

1029.8.36.72.61.3 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.59 or 1029.8.36.72.61.3 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied.

Revocation of qualification certificate in relation to an eligible employee.

For the purposes of subparagraphs *d* to *f* of the first paragraph, where Investissement Québec revokes in the particular taxation year the qualification certificate issued, for the purposes of Division II.6.6.5 of Chapter III.1 of Title III of Book IX of Part I, to the corporation in relation to an eligible employee for a pay period in a calendar year within its eligibility period, in relation to a recognized business, the amount of the salary or wages paid by a corporation to that employee is deemed to be refunded to the corporation in the particular taxation year.

History: 2002, c. 9, s. 126; 2002, c. 40, s. 295; 2004, c. 21, s. 480.

Deemed repayment of assistance.

1129.45.3.24. For the purposes of Part I, except for Division II.6.6.5 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages, pursuant to a legal obligation.

History: 2002, c. 9, s. 126.

Provisions applicable.

1129.45.3.25. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.63 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 9, s. 126.

PART III.10.1.7
SPECIAL TAX RELATING TO THE CREDIT FOR
JOB CREATION IN THE RESOURCE REGIONS

Definitions:

1129.45.3.26. In this Part,

“base period”;

“base period” has the meaning assigned by section 1029.8.36.72.70;

“eligible region”;

“eligible region” has the meaning assigned by the first paragraph of section 1029.8.36.72.70;

“recognized business”;

“recognized business” has the meaning assigned by section 1029.8.36.72.70;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.70.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2002, c. 40, s. 296; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.27. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.71 or 1029.8.36.72.72, on account of its tax payable under Part I for any taxation year, shall pay for a particular taxation year a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister, under section 1029.8.36.72.71 or 1029.8.36.72.72, in relation to the salaries or wages for the taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages for a taxation year preceding the particular year, if in the particular year, Investissement Québec revokes a qualification certificate issued to the corporation in relation to the recognized business for the purposes of Division II.6.6.6 of Chapter III.1 of Title III of Book IX of Part I.

History: 2002, c. 40, s. 296.

Amount in relation to salaries or wages.

1129.45.3.28. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.71 or 1029.8.36.72.72, on account of the corporation’s tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a

tax equal to 40% of the aggregate of the following amounts, except where section 1129.45.3.27 applies in relation to the salaries or wages for the taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.71, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.72, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all

amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.73 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.73 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.73 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(d) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.71 determined in respect of the corporation in relation to a calendar year preceding the

calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.71 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied;

(e) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.72 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in an eligible region, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied; and

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in subparagraph *a* of the first paragraph of

section 1029.8.36.72.73 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of the other corporation in relation to that recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.73 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.73 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this paragraph has applied.

History: 2002, c. 40, s. 296; 2003, c. 9, s. 408; 2004, c. 21, s. 481.

Deemed repayment of assistance.

1129.45.3.29. For the purposes of Part I, except Division II.6.6.6 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2002, c. 40, s. 296.

Provisions applicable.

1129.45.3.30. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.76 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 40, s. 296.

PART III.10.1.7.1

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE RESOURCE REGIONS, IN THE ALUMINUM VALLEY AND IN THE GASPÉSIE AND CERTAIN MARITIME REGIONS OF QUÉBEC

Definitions:

1129.45.3.30.1. In this Part,

“*base period*”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.1;

“*eligibility period*”;

“eligibility period” has the meaning assigned by section 1029.8.36.72.82.1;

“*eligible employee*”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.1;

“*recognized business*”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.1;

“*salary or wages*”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.1.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2004, c. 21, s. 482; 2007, c. 12, s. 304.

Tax payable if qualification certificate revoked.

1129.45.3.30.2. Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, on account of its tax payable under Part I, for any given taxation year, shall pay, for a particular taxation year, if Investissement Québec revokes in the particular year a qualification certificate issued, in relation to a calendar year that ended in the given taxation year, to the corporation in relation to a recognized business for the purposes of Division II.6.6.1 of Chapter III.1 of Title III of Book IX of Part I, a tax equal to the amount by which the amount that the corporation is deemed to have so paid to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, for the given taxation year, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have so paid to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, for the given

taxation year if the revoked qualification certificate had not been issued to the corporation by Investissement Québec and if the period specified in any qualification certificate issued to the corporation in relation to an employee whose duties relate directly to activities of the corporation described in the revoked qualification certificate, were adjusted to take the revocation into account; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the given taxation year, for a taxation year preceding the particular year.

Presumption.

The cancellation by Investissement Québec, at the request of a corporation, of a qualification certificate issued to the corporation, in relation to a recognized business referred to in paragraph *b* or *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, does not constitute a revocation of the certificate for the purposes of this Part.

History: 2004, c. 21, s. 482; 2005, c. 23, s. 251; 2009, c. 15, s. 414.

Amount relating to salary or wages.

1129.45.3.30.3. Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, on account of its tax payable under Part I, for any taxation year, shall pay, for a particular taxation year, a tax equal to the aggregate of the following amounts, unless section 1129.45.3.30.2 applies in respect of the corporation in relation to that taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid

by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, for the purpose of computing the excess amount referred to in any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.82.4 that relates to a calendar year preceding the particular calendar year, in respect of all the

corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if, for the purposes of section 1029.8.36.72.82.4 and section 1029.8.36.72.82.4.1 or 1029.8.36.72.82.4.2, in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to any of sections 1029.8.36.72.82.4, 1029.8.36.72.82.4.1 and 1029.8.36.72.82.4.2, as the case may be, had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(d) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of the base period of a qualified corporation that is a member of a group of associated corporations referred to in section 1029.8.36.72.82.4, for the purpose of computing the excess amount referred to in any of subparagraphs *a* to *c* of the first paragraph of that section that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were a member of the group at the end of that preceding calendar year and with which the corporation was associated at that time, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar

year ends if, for the purposes of section 1029.8.36.72.82.4 and section 1029.8.36.72.82.4.1 or 1029.8.36.72.82.4.2, in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to any of sections 1029.8.36.72.82.4, 1029.8.36.72.82.4.1 and 1029.8.36.72.82.4.2, as the case may be, had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(e) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that are included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages;

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that are included in computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the

corporation was not associated with any qualified corporation carrying on a recognized business, other than salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages; and

(g) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.82.4 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of any of the associated corporations, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends in respect of the corporation, in relation to the preceding calendar year, if, for the purposes of section 1029.8.36.72.82.4 and section 1029.8.36.72.82.4.1 or 1029.8.36.72.82.4.2, in relation to the preceding calendar year, every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to

such a salary or wages, and if the amount determined pursuant to any of sections 1029.8.36.72.82.4, 1029.8.36.72.82.4.1 and 1029.8.36.72.82.4.2, as the case may be, had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages.

Revocation of qualification certificate in relation to an eligible employee.

For the purposes of subparagraphs *e* to *g* of the first paragraph, where Investissement Québec revokes in the particular taxation year the qualification certificate issued, for the purposes of Division II.6.6.6.1 of Chapter III.1 of Title III of Book IX of Part I, to the corporation in relation to an eligible employee for a pay period of a calendar year within the corporation's eligibility period, the amount of the salary or wages paid to the employee by a corporation is deemed to be refunded to the corporation in the particular taxation year.

History: 2004, c. 21, s. 482; 2005, c. 23, s. 252; 2009, c. 15, s. 415; 2010, c. 25, s. 212.

Deemed repayment of assistance.

1129.45.3.30.4. For the purposes of Part I, except Division II.6.6.6.1 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2004, c. 21, s. 482.

Provisions applicable.

1129.45.3.30.5. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.82.7 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2004, c. 21, s. 482.

PART III.10.1.7.2**SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE GASPÉSIE AND CERTAIN MARITIME REGIONS OF QUÉBEC IN THE FIELDS OF MARINE BIOTECHNOLOGY, MARICULTURE AND MARINE PRODUCTS PROCESSING****Definitions:**

1129.45.3.30.6. In this Part,

“base amount”;

“base amount” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.13;

“base period”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.13;

“eligibility period”;

“eligibility period” has the meaning assigned by section 1029.8.36.72.82.13;

“eligible employee”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.13;

“recognized business”;

“recognized business” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.13;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.82.13.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2005, c. 23, s. 253; 2007, c. 12, s. 304.

Tax payable.

1129.45.3.30.7. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, on account of its tax payable under Part I, for any given taxation year, shall pay, for a particular taxation year, if Investissement Québec revokes in the particular year a qualification certificate issued, in relation to a calendar year that ended in the given taxation year, to the corporation in relation to a recognized business for the purposes of Division II.6.6.6.2 of Chapter III.1 of Title III of Book IX of Part I, a tax equal to the amount by which the amount that the corporation is deemed to have so paid to the Minister, under section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, for the given taxation year, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have so paid to the Minister, under

section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, for the given taxation year if the revoked qualification certificate had not been issued to the corporation by Investissement Québec and if the period specified in any qualification certificate issued to the corporation in relation to an employee whose duties relate directly to activities of the corporation described in the revoked qualification certificate, were adjusted to take the revocation into account; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the given taxation year, for a taxation year preceding the particular year.

History: 2005, c. 23, s. 253.

Payment of tax.

1129.45.3.30.8. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, on account of its tax payable under Part I, for any taxation year, shall pay, for a particular taxation year, a tax equal to the aggregate of the following amounts, unless section 1129.45.3.30.7 applies in respect of the corporation in relation to that taxation year:

(a) if the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation and that is included in its base amount, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under that section on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.14 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) if any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of the corporation's base period, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under that section on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) if the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation and that is included in its base amount, for the purpose of computing the excess amount referred to in paragraph *b* or *c* of section 1029.8.36.72.82.16 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.15

on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if, for the purposes of sections 1029.8.36.72.82.16 and 1029.8.36.72.82.16.1 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.16 or 1029.8.36.72.82.16.1 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(d) if any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of the base period of a qualified corporation that is a member of a group of associated corporations referred to in section 1029.8.36.72.82.16, for the purpose of computing the excess amount referred to in paragraph *b* or *c* of that section that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were a member of the group at the end of that preceding calendar year and with which the corporation was associated at that time, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.72.82.15, on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if, for the purposes of sections 1029.8.36.72.82.16 and 1029.8.36.72.82.16.1 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.16 or 1029.8.36.72.82.16.1 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year

preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(e) if, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under that section on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.14 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages;

(f) if, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business, other than a salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under that section on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before

the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages; and

(g) if, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *b* or *c* of section 1029.8.36.72.82.16 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of any of the associated corporations, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.15 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends in respect of the corporation, in relation to the preceding calendar year, if, for the purposes of sections 1029.8.36.72.82.16 and 1029.8.36.72.82.16.1 in relation to the preceding calendar year, every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and if the amount determined pursuant to section 1029.8.36.72.82.16 or 1029.8.36.72.82.16.1 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is a tax paid by the corporation under this subparagraph for a taxation year preceding the particular taxation year, in respect of an amount so refunded, paid or allocated, in relation to the salary or wages.

Revocation of a qualification certificate.

For the purposes of subparagraphs *e* to *g* of the first paragraph, if Investissement Québec revokes in the particular taxation year the qualification certificate issued, for the purposes of Division II.6.6.6.2 of Chapter III.1 of Title III of Book IX of Part I, to the corporation in relation to an eligible

employee for a pay period of a calendar year within the corporation's eligibility period, the amount of the salary or wages paid to the employee by a corporation is deemed to be refunded to the corporation in the particular taxation year.

History: 2005, c. 23, s. 253; 2010, c. 25, s. 214.

Deemed repayment of assistance.

1129.45.3.30.9. For the purposes of Part I, except Division II.6.6.6.2 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2005, c. 23, s. 253.

Provisions applicable.

1129.45.3.30.10. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.82.19 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2005, c. 23, s. 253.

PART III.10.1.8

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE CARREFOURS DE L'INNOVATION

Definitions:

1129.45.3.31. In this Part,

“base period”;

“base period” has the meaning assigned by the first paragraph of section 1029.8.36.72.83;

“eligibility period”;

“eligibility period” has the meaning assigned by section 1029.8.36.72.83;

“eligible employee”;

“eligible employee” has the meaning assigned by the first paragraph of section 1029.8.36.72.83;

“eligible site”;

“eligible site” has the meaning assigned by the first paragraph of section 1029.8.36.72.83;

“recognized business”;

“recognized business” has the meaning assigned by section 1029.8.36.72.83;

“salary or wages”.

“salary or wages” has the meaning assigned by the first paragraph of section 1029.8.36.72.83.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2003, c. 9, s. 409; 2004, c. 21, s. 483; 2007, c. 12, s. 304.

Payment of tax.

1129.45.3.32. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.84 or 1029.8.36.72.85, on account of its tax payable under Part I for any taxation year, shall pay for a particular taxation year a tax equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have so paid to the Minister, under section 1029.8.36.72.84 or 1029.8.36.72.85, in relation to the salaries or wages, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part, in relation to the salaries or wages for a taxation year preceding the particular year, if in the particular year, Investissement Québec revokes a qualification certificate issued to the corporation in relation to the recognized business for the purposes of Division II.6.6.7 of Chapter III.1 of Title III of Book IX of Part I.

History: 2003, c. 9, s. 409.

Amount in relation to salaries or wages.

1129.45.3.33. Every corporation that, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to have paid an amount to the Minister, under section 1029.8.36.72.84 or 1029.8.36.72.85, on account of the corporation's tax payable under Part I for any taxation year, shall pay, for a particular taxation year, a tax equal to 40% of the aggregate of the following amounts, except where section 1129.45.3.32 applies in relation to the salaries or wages for the taxation year or a preceding taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.84, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in its respect, that relates to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.85, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the aggregate of all amounts each of which is the amount by which the amount referred to in that subparagraph *a*, determined in respect of the corporation in relation to a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to that subparagraph *a* in respect of the corporation in relation to that preceding calendar year if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(c) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, in relation to the recognized business, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.86 that

relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, the aggregate of all amounts each of which is the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the corporation for a calendar year preceding the particular calendar year, exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.86 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or in a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.86 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. 100/40 of the aggregate of all amounts each of which is a tax paid by the corporation under this Part for a taxation year preceding the particular taxation year, in relation to a repayment of government assistance or non-government assistance that reduced the amount of such a salary or wages;

(d) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.84 determined in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than a salary or wages paid in respect of the base period of the corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.84 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied;

(e) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.85 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the particular amount exceeds the aggregate of

i. the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the corporation in relation to that preceding calendar year if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied; and

(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that is included in computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.86 that relates to a calendar year preceding the particular calendar year, in respect of all the corporations that were associated with each other at the end of that preceding calendar year and with which the corporation was associated at that time, other than a salary or wages paid in respect of the base period of the other corporation in relation to the recognized business, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the corporation for the preceding calendar year exceeds the aggregate of

i. the amount that would have been determined pursuant to subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the corporation, in relation to that preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.86 in relation to that preceding calendar year, each of the amounts that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received in the preceding calendar year and attributable to such a salary or wages, and

if the amount determined pursuant to section 1029.8.36.72.86 had been attributed to the corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated in a preceding taxation year, in relation to the salary or wages, to which this subparagraph has applied.

Revocation of qualification certificate.

For the purposes of subparagraphs *d* to *f* of the first paragraph, where Investissement Québec revokes in the particular taxation year the qualification certificate issued, for the purposes of Division II.6.6.7 of Chapter III.1 of Title III of Book IX of Part I, to the corporation in relation to an eligible employee for a pay period in a calendar year within the corporation's eligibility period, in relation to a recognized business, the amount of the salary or wages paid by a corporation to that employee is deemed to be refunded to the corporation in the particular taxation year.

History: 2003, c. 9, s. 409; 2004, c. 21, s. 484.

Deemed repayment of assistance.

1129.45.3.34. For the purposes of Part I, except Division II.6.6.7 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a recognized business, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the salaries or wages pursuant to a legal obligation.

History: 2003, c. 9, s. 409.

Provisions applicable.

1129.45.3.35. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027, section 1029.8.36.72.89 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2003, c. 9, s. 409.

PART III.10.1.9

SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF ETHANOL IN QUÉBEC

Definition.

1129.45.3.36. In this Part, “eligible production of ethanol” has the meaning assigned by section 1029.8.36.0.94.

History: 2006, c. 36, s. 245; 2007, c. 12, s. 270.

Tax payable.

1129.45.3.37. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.95,

on account of its tax payable under Part I, for a particular taxation year, in relation to its eligible production of ethanol for a particular month of that taxation year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “year concerned”) in which any of the following events occurs:

(a) an amount that may reasonably be considered to be an amount relating to its eligible production of ethanol for a particular month of the particular taxation year that, because of paragraph *a* of section 1029.8.36.0.99, would be included in the aggregate determined in its respect for the particular taxation year under that section if it was received by the corporation in that taxation year, is received by the corporation;

(b) an amount that may reasonably be considered to be an amount relating to its eligible production of ethanol for a particular month of the particular taxation year that, because of paragraph *b* of section 1029.8.36.0.99, would be included in the aggregate determined in its respect for the particular taxation year under that section if it was obtained by a person or partnership in that taxation year, is obtained by the person or partnership; and

(c) all or a portion of its eligible production of ethanol for a particular month of the particular taxation year that was carried out before 18 March 2011 is sold to a person or partnership that is not the holder of a collection officer’s permit issued under the Fuel Tax Act (chapter T-1) or ceases to be reasonably considered to be expected to be sold subsequently to such a holder.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.95 or 1029.8.36.0.101 for a taxation year preceding the year concerned in relation to its eligible production of ethanol for a particular month of the particular taxation year, exceeds the total of

(a) the amount that the corporation would be deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.0.95 if any of the events described in any of subparagraphs *a* to *c* of the first paragraph or in subparagraph *a* or *b* of the first paragraph of section 1029.8.36.0.101, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of ethanol for a particular month of the particular taxation year, occurred in the particular taxation year; and

(b) the aggregate of all amounts each of which is an amount that the corporation is required to pay to the Minister under this section for a taxation year preceding the year concerned in relation to its eligible production of ethanol for a particular month of the particular taxation year.

Presumption.

For the purposes of this section, the corporation is deemed to be selling its eligible production of ethanol in the order in which it carried out the production.

History: 2006, c. 36, s. 245; 2011, c. 34, s. 117.

Deemed repayment of assistance.

1129.45.3.38. For the purposes of Part I, except Division II.6.0.8 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.45.3.37, in relation to an eligible production of ethanol, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the eligible production of ethanol, pursuant to a legal obligation.

History: 2006, c. 36, s. 245.

Provisions applicable.

1129.45.3.39. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2006, c. 36, s. 245.

PART III.10.1.9.1

SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF BIODIESEL FUEL IN QUÉBEC

Definition.

1129.45.3.39.1. In this Part, “eligible production of biodiesel fuel” has the meaning assigned by section 1029.8.36.0.106.1.

History: 2017, c. 29, s. 216.

Tax payable.

1129.45.3.39.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.106.2, on account of its tax payable under Part I, for a particular taxation year, in relation to its eligible production of biodiesel fuel for a particular month of that taxation year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “year concerned”) in which either of the following events occurs:

(a) an amount that may reasonably be considered to be an amount relating to its eligible production of biodiesel fuel for a particular month of the particular taxation year that, because of paragraph *a* of section 1029.8.36.0.106.4, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had

been received by the corporation in that taxation year, is received by the corporation; or

(b) an amount that may reasonably be considered to be an amount relating to its eligible production of biodiesel fuel for a particular month of the particular taxation year that, because of paragraph *b* of section 1029.8.36.0.106.4, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had been obtained by a person or partnership in that taxation year, is obtained by the person or partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.106.2 or 1029.8.36.0.106.5 for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, exceeds the total of

(a) the amount that the corporation would have been deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.0.106.2 if any of the events described in subparagraph *a* or *b* of the first paragraph or in subparagraph *a* or *b* of the first paragraph of section 1029.8.36.0.106.5, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, had occurred in the particular taxation year; and

(b) the aggregate of all amounts each of which is an amount that the corporation is required to pay to the Minister under this section for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year.

History: 2017, c. 29, s. 216.

Deemed repayment of assistance.

1129.45.3.39.3. For the purposes of Part I, except Division II.6.0.9.1 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.45.3.39.2, in relation to an eligible production of biodiesel fuel, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the eligible production of biodiesel fuel, pursuant to a legal obligation.

History: 2017, c. 29, s. 216.

Provisions applicable to this Part.

1129.45.3.39.4. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph

of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2017, c. 29, s. 216.

PART III.10.1.9.2

SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF PYROLYSIS OIL IN QUÉBEC

Definition.

1129.45.3.39.5. In this Part, “eligible production of pyrolysis oil” has the meaning assigned by section 1029.8.36.0.106.7.

History: 2019, c. 14, s. 452.

Tax payable.

1129.45.3.39.6. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.106.9, on account of its tax payable under Part I, for a particular taxation year, in relation to its eligible production of pyrolysis oil for a particular month of that taxation year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “year concerned”) in which either of the following events occurs:

(a) an amount that may reasonably be considered to be an amount relating to its eligible production of pyrolysis oil for a particular month of the particular taxation year that, because of paragraph *a* of section 1029.8.36.0.106.12, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had been received by the corporation in that taxation year, is received by the corporation; or

(b) an amount that may reasonably be considered to be an amount relating to its eligible production of pyrolysis oil for a particular month of the particular taxation year that, because of paragraph *b* of section 1029.8.36.0.106.12, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had been obtained by a person or partnership in that taxation year, is obtained by the person or partnership.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.106.9 or 1029.8.36.0.106.13 for a taxation year preceding the year concerned in relation to its eligible production of pyrolysis oil for a particular month of the particular taxation year, exceeds the total of

(a) the amount that the corporation would be deemed to have paid to the Minister for the particular taxation year

under section 1029.8.36.0.106.9 if any of the events described in the first paragraph or in subparagraph *a* or *b* of the first paragraph of section 1029.8.36.0.106.13, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of pyrolysis oil for a particular month of the particular taxation year, occurred in the particular taxation year; and

(*b*) the aggregate of all amounts each of which is an amount that the corporation is required to pay to the Minister under this section for a taxation year preceding the year concerned in relation to its eligible production of pyrolysis oil for a particular month of the particular taxation year.

History: 2019, c. 14, s. 452.

Deemed repayment of assistance.

1129.45.3.39.7. For the purposes of Part I, except Division II.6.0.9.2 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.45.3.39.6, in relation to an eligible production of pyrolysis oil, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the eligible production of pyrolysis oil, pursuant to a legal obligation.

History: 2019, c. 14, s. 452.

Provisions applicable.

1129.45.3.39.8. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2019, c. 14, s. 452.

PART III.10.1.10 SPECIAL TAX RELATING TO THE CREDIT TO FOSTER THE MODERNIZATION OF THE TOURIST ACCOMMODATION OFFERING

Definitions.

1129.45.3.40. In this Part, “qualified expenditure” and “qualified tourist accommodation establishment” have the meaning assigned by section 1029.8.36.0.107.

History: 2013, c. 10, s. 165.

Tax payable.

1129.45.3.41. Every corporation that is deemed to have paid an amount to the Minister, under Division II.6.0.10 of Chapter III.1 of Title III of Book IX of Part I, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the corporation for the particular taxation year or to a qualified expenditure of a partnership of which the corporation is a member for a particular fiscal period of the partnership that ends in the

particular taxation year, in respect of a qualified tourist accommodation establishment, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which

(*a*) an amount relating to an amount included in computing the corporation’s qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(*b*) a fiscal period of the partnership ends (in this section referred to as the “fiscal period of repayment”) in which an amount relating to an amount included in computing the partnership’s qualified expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under Division II.6.0.10 of Chapter III.1 of Title III of Book IX of Part I, in relation to a qualified expenditure referred to in the first paragraph for a taxation year preceding the repayment year or, if the tax becomes payable in whole or in part because of the application of subparagraph *b* of the first paragraph, would be so deemed to have paid to the Minister if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in that preceding taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister in relation to a qualified expenditure referred to in the first paragraph under Division II.6.0.10 of Chapter III.1 of Title III of Book IX of Part I for a taxation year preceding the repayment year if

i. every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in respect of an amount included in computing a qualified expenditure of the corporation, or at or before the end of the fiscal period of repayment, in respect of an amount included in computing a qualified expenditure of the partnership, were refunded, paid or allocated in the particular year or the particular fiscal period, as the case may be, and

ii. the agreed proportion, in respect of the corporation for the partnership’s fiscal period that ends in that preceding taxation year, were the same as that for the fiscal period of repayment; and

(*b*) the aggregate of all amounts each of which is

i. a tax that the corporation must pay to the Minister under this section for a taxation year preceding the repayment year in relation to an amount relating to an amount included in

computing the corporation's qualified expenditure that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation, or

ii. a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the repayment year in relation to an amount relating to an amount included in computing the partnership's qualified expenditure that is, directly or indirectly, refunded or otherwise paid to the partnership or corporation if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in that preceding taxation year were the same as that for the fiscal period of repayment.

History: 2013, c. 10, s. 165; 2015, c. 21, s. 518.

Repayment of assistance.

1129.45.3.42. For the purposes of Part I, except Division II.6.0.10 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under this Part, in relation to a qualified expenditure of the corporation or of a partnership, in respect of a qualified tourist accommodation establishment, is deemed to be an amount of assistance repaid at that time by the corporation or partnership in respect of that expenditure, pursuant to a legal obligation.

History: 2013, c. 10, s. 165.

Provisions applicable.

1129.45.3.43. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 165.

PART III.10.1.11

SPECIAL TAX RELATING TO THE CREDIT FOR THE MARKET DIVERSIFICATION OF MANUFACTURING BUSINESSES

Definition.

1129.45.3.44. In this Part, "eligible certification costs" has the meaning assigned by section 1029.8.36.0.119.

History: 2013, c. 10, s. 165.

Tax payable.

1129.45.3.45. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.120, on account of its tax payable under Part I for a particular taxation year, in relation to eligible certification costs of the corporation for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the

"repayment year") in which an amount relating to those eligible certification costs is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.120 or 1029.8.36.0.123, in relation to those eligible certification costs, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.120 or 1029.8.36.0.123, in relation to those eligible certification costs, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to those eligible certification costs, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to those eligible certification costs.

History: 2013, c. 10, s. 165.

Repayment of assistance.

1129.45.3.46. For the purposes of Part I, except Division II.6.0.11 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.45.3.45, in relation to eligible certification costs, is deemed to be an amount of assistance repaid at that time by the corporation in respect of those costs, pursuant to a legal obligation.

History: 2013, c. 10, s. 165.

Provisions applicable.

1129.45.3.47. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 165.

PART III.10.2

SPECIAL TAX RELATING TO THE CREDIT FOR JOB CREATION IN THE CLOTHING AND FOOTWEAR INDUSTRY

Definitions.

1129.45.4. In this Part, "clothing", "eligible employee", "group of associated employers", "initial calendar year" and

“salary or wages” have the meaning assigned by the first paragraph of section 1029.8.36.73.

Reference to a calendar year.

For the purposes of this Part, a reference to a calendar year ending in a taxation year or fiscal period includes a reference to a calendar year ending coincidentally with that taxation year or fiscal period, as the case may be.

History: 1999, c. 83, s. 254; 2001, c. 51, s. 228; 2003, c. 9, s. 410; 2007, c. 12, s. 271.

Payment of tax.

1129.45.5. Every taxpayer who, in relation to salaries or wages paid in the course of carrying on a business of making or manufacturing clothing or footwear, is deemed to have paid an amount to the Minister, under section 1029.8.36.76 or 1029.8.36.78, on account of the taxpayer’s tax payable under Part I, for any taxation year, shall pay, for a particular taxation year, a tax equal to 20% of the aggregate of

(a) where the taxpayer, during the particular taxation year, pays an amount, pursuant to a legal obligation, that may reasonably be considered to be repayment of government assistance or non-government assistance that reduced the amount of the salaries or wages paid by the taxpayer to an eligible employee during the taxpayer’s initial calendar year in relation to the business for the purpose of computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.76 determined in respect of a calendar year preceding the particular calendar year ending in the particular taxation year, the aggregate of all amounts each of which is equal to the amount by which the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.76 determined in respect of the taxpayer for a calendar year preceding the particular calendar year exceeds the aggregate of

i. the amount that would have been the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.76 determined in respect of the taxpayer for that preceding calendar year if the aggregate of all amounts each of which is an amount paid by the taxpayer as repayment of such assistance on or before the end of the particular taxation year had reduced the amount of government assistance or non-government assistance received by the taxpayer during the taxpayer’s initial calendar year in relation to that business and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount paid by the taxpayer during a taxation year preceding the particular taxation year and that is a repayment to which this subparagraph has applied in relation to that business;

(b) where a person or partnership, during the particular calendar year ending in the particular taxation year, pays an amount, pursuant to a legal obligation, that may reasonably

be considered to be repayment of government assistance or non-government assistance that reduced the amount of the salaries or wages paid to an eligible employee in the course of carrying on a business of making or manufacturing clothing or footwear, for the initial calendar year of the person or partnership in relation to the business, for the purpose of computing the excess amount referred to in section 1029.8.36.80 determined in respect of a group of associated employers of which the person or partnership was a member at the end of a calendar year preceding the particular calendar year, the aggregate of all amounts, to which the proportion determined in respect of the taxpayer, as a member of the group of associated employers, in accordance with the second paragraph for the preceding calendar year is applied, each of which is equal to the amount by which the excess amount referred to in section 1029.8.36.80 determined in respect of the group of associated employers for a calendar year preceding the particular calendar year exceeds the aggregate of

i. the amount that would have been the excess amount referred to in section 1029.8.36.80 determined in respect of the group of associated employers for that preceding calendar year if the aggregate of all amounts each of which is an amount paid by a person or partnership as repayment of such assistance on or before the end of the particular taxation year had reduced the amount of government assistance or non-government assistance received by the person or partnership and attributable to such salaries or wages paid to an eligible employee during the initial calendar year of the person or partnership in relation to the business of making or manufacturing clothing or footwear, and

ii. the aggregate of all amounts each of which is an amount paid during a calendar year preceding the particular calendar year by a person or partnership as a member of the group of associated employers and that is a repayment of assistance relating to such salaries or wages to which the first paragraph has applied;

(c) where, during the particular taxation year, an amount in relation to salaries or wages paid to an eligible employee by the taxpayer in the course of carrying on the business, that are included in computing the particular excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.76 determined in respect of the taxpayer in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than the taxpayer’s initial calendar year, is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer, the amount by which the particular excess amount exceeds the aggregate of

i. the excess amount that would be determined under subparagraph *a* of the first paragraph of section 1029.8.36.76 in respect of the taxpayer in relation to that preceding calendar year if any amount that was so refunded, paid or allocated on or before the end of the particular taxation year in relation to the salaries or wages were government

assistance or non-government assistance received by the taxpayer in the preceding calendar year and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated during a preceding taxation year, in relation to the salaries or wages, to which this subparagraph has applied; and

(d) where, during the particular calendar year ending in the particular taxation year, an amount in relation to salaries or wages paid to an eligible employee by a person or partnership in the course of carrying on a business of making or manufacturing clothing or footwear, that are included in computing the particular excess amount referred to in section 1029.8.36.80 determined, in respect of a group of associated employers, in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than the initial calendar year of the person or partnership, is, directly or indirectly, refunded or otherwise paid to the person or partnership or allocated to a payment to be made by the person or partnership, the proportion determined, in respect of the taxpayer as a member of the group of associated employers, in accordance with the second paragraph, for the preceding calendar year, of the amount by which the particular excess amount exceeds the aggregate of

i. the excess amount that would be determined under section 1029.8.36.80, in respect of the group of associated employers, in relation to the preceding calendar year if any amount that was so refunded, paid or allocated on or before the end of the particular taxation year in relation to the salaries or wages, were government assistance or non-government assistance received by the person or partnership in the preceding calendar year and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated during a preceding taxation year in relation to the salaries or wages, to which this subparagraph has applied.

Proportion.

The proportion to which subparagraphs *b* and *d* of the first paragraph refer, determined in respect of a taxpayer for a calendar year, is the proportion that the amount attributed to the taxpayer pursuant to the agreement filed in accordance with the first paragraph of section 1029.8.36.78 by the taxpayer, as a member of the group of associated employers referred to in that section, at the end of the calendar year, is of the aggregate of all the amounts attributed pursuant to the agreement.

History: 1999, c. 83, s. 254; 2001, c. 7, s. 169; 2003, c. 9, s. 411.

Payment of tax.

1129.45.6. Every taxpayer who is a member of a particular partnership and who, in relation to salaries or

wages paid by the particular partnership in the course of carrying on a business of making or manufacturing clothing or footwear, is deemed to have paid an amount to the Minister, under section 1029.8.36.77 or 1029.8.36.79, on account of the taxpayer's tax payable under Part I, for a taxation year, shall pay, for any particular taxation year, a tax equal to 20% of the aggregate of

(a) where the particular partnership, during the particular fiscal period of the partnership ending in the particular taxation year, pays an amount, pursuant to a legal obligation, that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salaries or wages paid by the partnership to an eligible employee during the partnership's initial calendar year in relation to the business for the purpose of computing the excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.77 determined in respect of a calendar year preceding the particular calendar year ending in the particular fiscal period, the taxpayer's share of the aggregate of all amounts each of which is equal to the amount by which the excess amount referred to in that subparagraph *a* determined in respect of the taxpayer for a calendar year preceding the particular calendar year exceeds the aggregate of

i. the amount that would have been the excess amount referred to in subparagraph *a* of the first paragraph of that section 1029.8.36.77 determined in respect of the particular partnership for that preceding calendar year if the aggregate of all amounts each of which is an amount paid by the partnership as repayment of such assistance on or before the end of the particular fiscal period had reduced the amount of government assistance or non-government assistance received by the partnership during the partnership's initial calendar year in relation to that business and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount paid by the partnership during a fiscal period preceding the particular fiscal period and that is a repayment to which this subparagraph has applied in relation to that business;

(b) where a person or partnership, during the particular calendar year ending in the particular taxation year, pays an amount, pursuant to a legal obligation, that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salaries or wages paid to an eligible employee in the course of carrying on a business of making or manufacturing clothing or footwear, for the initial calendar year of the person or partnership in relation to the business, for the purpose of computing the excess amount referred to in section 1029.8.36.80 determined in respect of a group of associated employers of which the person or partnership was a member at the end of a calendar year preceding the particular calendar year, the taxpayer's share of the aggregate of all amounts, to which the proportion determined in respect of the taxpayer, as a member of the group of associated

employers, in accordance with the second paragraph for the preceding calendar year is applied, each of which is equal to the amount by which the excess amount referred to in section 1029.8.36.80 determined in respect of the group of associated employers for a calendar year preceding the particular calendar year exceeds the aggregate of

i. the amount that would have been the excess amount referred to in section 1029.8.36.80 determined in respect of the group of associated employers for that preceding calendar year if the aggregate of all amounts each of which is an amount paid by a person or partnership as repayment of such assistance on or before the end of the particular taxation year had reduced the amount of government assistance or non-government assistance received by the person or partnership and attributable to such salaries or wages paid to an eligible employee during the initial calendar year of the person or partnership in relation to the business of making or manufacturing clothing or footwear, and

ii. the aggregate of all amounts each of which is an amount paid during a calendar year preceding the particular calendar year by a person or partnership as a member of the group of associated employers and that is a repayment of assistance relating to such salaries or wages to which this paragraph has applied;

(c) where, during the particular fiscal period of the particular partnership ending in the particular taxation year, an amount in relation to salaries or wages paid to an eligible employee by the particular partnership in the course of carrying on the business, that are included in computing the particular excess amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.77 determined in respect of the particular partnership in relation to a calendar year preceding the calendar year ending in the particular fiscal period, other than the particular partnership's initial calendar year, is, directly or indirectly, refunded or otherwise paid to the particular partnership or allocated to a payment to be made by the particular partnership, the taxpayer's share of the amount by which the particular excess amount exceeds the aggregate of

i. the excess amount that would be determined under subparagraph *a* of the first paragraph of section 1029.8.36.77 in respect of the particular partnership in relation to that preceding calendar year if any amount that was so refunded, paid or allocated on or before the end of the particular fiscal period in relation to the salaries or wages were government assistance or non-government assistance received by the particular partnership in the preceding calendar year and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated during a fiscal period preceding the particular fiscal period, in relation to the salaries or wages, to which this subparagraph has applied; and

(d) where, during the particular calendar year ending in the particular taxation year, an amount in relation to salaries or wages paid to an eligible employee by a person or partnership in the course of carrying on a business of making or manufacturing clothing or footwear, that are included in computing the particular excess amount referred to in section 1029.8.36.80 determined, in respect of a group of associated employers, in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than the initial calendar year of the person or partnership, is, directly or indirectly, refunded or otherwise paid to the person or partnership or allocated to a payment to be made by the person or partnership, the taxpayer's share of the proportion determined, in respect of the particular partnership as a member of the group of associated employers, in accordance with the second paragraph, for the preceding calendar year, of the amount by which the particular excess amount exceeds the aggregate of

i. the excess amount that would be determined under section 1029.8.36.80, in respect of the group of associated employers, in relation to the preceding calendar year if any amount that was so refunded, paid or allocated on or before the end of the particular taxation year in relation to the salaries or wages, were government assistance or non-government assistance received by the person or partnership in the preceding calendar year and attributable to such salaries or wages, and

ii. the aggregate of all amounts each of which is an amount so refunded, paid or allocated during a preceding taxation year in relation to the salaries or wages, to which this subparagraph has applied.

Proportion.

The proportion to which subparagraphs *b* and *d* of the first paragraph refer, determined in respect of a partnership for a calendar year, is equal to the proportion that the amount attributed to the partnership pursuant to the agreement filed in accordance with section 1029.8.36.79 by the partnership as a member of the group of associated employers referred to in that section, at the end of the calendar year, is of the aggregate of all the amounts attributed pursuant to the agreement.

Taxpayer's share.

For the purposes of the first paragraph, the taxpayer's share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the particular partnership's fiscal period that ends in the particular taxation year.

History: 1999, c. 83, s. 254; 2001, c. 7, s. 169; 2009, c. 15, s. 416.

Provisions applicable.

1129.45.7. For the purposes of this Part, the following rules apply:

(a) where, at a particular time, a taxpayer who is a member of a partnership has received, is entitled to receive or may reasonably expect to receive assistance referred to in subparagraph i of any of subparagraphs a to c of the first paragraph of section 1029.8.36.83, the amount of the assistance that is attributable to salaries or wages paid by the partnership is deemed to be such assistance attributable to the salaries or wages received by the partnership at that time; and

(b) the repayment, at a particular time, of assistance referred to in paragraph a by a taxpayer who is a member of a partnership, that is attributable to salaries or wages paid by the partnership is deemed to be made by the partnership at that time as a repayment of such assistance attributable to the salaries or wages.

History: 1999, c. 83, s. 254.

Deemed repayment of assistance.

1129.45.7.1. For the purposes of Part I, tax paid to the Minister by a taxpayer at any time, under this Part, in relation to salaries or wages paid in the course of carrying on a business of making or manufacturing clothing or footwear is deemed to be an amount of assistance repaid by the taxpayer at that time in respect of such salaries or wages, pursuant to a legal obligation.

History: 1999, c. 83, s. 254; 2001, c. 7, s. 169; 2009, c. 15, s. 417.

Provisions applicable.

1129.45.8. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027, section 1029.8.36.84 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 254.

PART III.10.3 SPECIAL TAX RELATING TO THE CREATION OF INVESTMENT FUNDS

Definitions:

1129.45.9. In this Part,

“qualified investment fund”;

“qualified investment fund” has the meaning assigned by the first paragraph of section 1029.8.36.89;

“qualified start-up expenditure”.

“qualified start-up expenditure” has the meaning assigned by the first paragraph of section 1029.8.36.89.

History: 1999, c. 83, s. 254; 2007, c. 12, s. 304.

Tax payable.

1129.45.10. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.90, on account of its tax payable under Part I shall pay the tax

referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to an expenditure included in a qualified start-up expenditure of the corporation in respect of a qualified investment fund is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.90, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in a qualified start-up expenditure of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 1999, c. 83, s. 254; 2001, c. 51, s. 219; 2002, c. 40, s. 297.

Deemed repayment of assistance.

1129.45.11. For the purposes of Part I, except Division II.6.8 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time, under this Part, in relation to an expenditure in respect of a qualified investment fund, is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation.

History: 1999, c. 83, s. 254; 2001, c. 7, s. 169.

Provisions applicable.

1129.45.12. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 254.

PART III.10.4 SPECIAL TAX RELATING TO FUND MANAGERS

Definitions.

1129.45.13. In this Part, “qualified wages” and “wages” have the meaning assigned by section 1029.8.36.95.

History: 1999, c. 83, s. 254; 2007, c. 12, s. 304; 2010, c. 25, s. 215.

Tax payable.

1129.45.14. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.96, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages paid to an individual for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "repayment year", in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.96 or 1029.8.36.98, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.96 or 1029.8.36.98, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 1999, c. 83, s. 254; 2002, c. 9, s. 127; 2002, c. 40, s. 298.

Deemed repayment of assistance.

1129.45.15. For the purposes of Part I, except Division II.6.9 of Chapter III.1 of Title III of Book IX, the tax paid, at any time, by a corporation to the Minister under this Part in relation to qualified wages is deemed to be an amount of assistance repaid by the corporation at that time in respect of those wages, pursuant to a legal obligation.

History: 1999, c. 83, s. 254; 2001, c. 7, s. 169.

Provisions applicable.

1129.45.16. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1999, c. 83, s. 254.

PART III.10.5 SPECIAL TAX RELATING TO SOLICITATION EXPENDITURE

Definition.

1129.45.17. In this Part, "qualified solicitation expenditure" has the meaning assigned by section 1029.8.36.102.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 299; 2007, c. 12, s. 272.

Tax payable.

1129.45.18. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.104, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the "repayment year", in which an amount relating to a qualified solicitation expenditure of the corporation is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.104, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to a qualified solicitation expenditure of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 300.

Tax payable.

1129.45.19. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.36.105, on account of the taxpayer's tax payable under Part I, in relation to that partnership, shall pay the tax referred to in the second paragraph for the taxation year in which a fiscal period of the partnership ends, in this section referred to as the "fiscal period of repayment", in which an amount relating to a qualified solicitation expenditure of the partnership is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year under section 1029.8.36.105, in relation to that partnership, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under that section, for a taxation year, in relation to the partnership, if

i. every amount that is so refunded, paid or allocated at or before the end of the fiscal period of repayment, in relation to a qualified solicitation expenditure of the partnership for a fiscal period, were refunded, paid or allocated in that fiscal period, and

ii. the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, in relation to the partnership, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 300; 2006, c. 36, s. 246; 2009, c. 15, s. 418.

Deemed repayment of assistance.

1129.45.20. For the purposes of Part I, the tax paid by a taxpayer to the Minister, at any time, under this Part in relation to a particular expenditure is deemed to be an amount of assistance repaid at that time in respect of that expenditure pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.19, where the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by the partnership; or

(b) the taxpayer, in all other cases.

History: 1999, c. 86, s. 89; 2001, c. 7, s. 169; 2009, c. 5, s. 529.

Provisions applicable.

1129.45.21. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 301.

PART III.10.6 SPECIAL TAX RELATING TO SPECIALIST TRAINING

Definitions:

1129.45.22. In this Part,

“qualified wages”;

“qualified wages” has the meaning assigned by section 1029.8.36.115;

“wages”.

“wages” means the income computed under Chapters I and II of Title II of Book III of Part I.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 302; 2007, c. 12, s. 304.

Tax payable.

1129.45.23. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.116, on account of its tax payable for a particular taxation year under Part I, in relation to the qualified wages attributed to the particular year and paid to an individual by the corporation, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "repayment year", in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.116 or 1029.8.36.121, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the

Minister under section 1029.8.36.116 or 1029.8.36.121, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 303.

Tax payable.

1129.45.24. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.36.117, on account of the taxpayer's tax payable for a particular taxation year under Part I, in relation to the qualified wages attributed to a particular fiscal period of the partnership that ends in the particular year and paid to an individual by the partnership, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the "fiscal period of repayment", in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year under section 1029.8.36.117, 1029.8.36.122 or 1029.8.36.123, in relation to the qualified wages, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.117, 1029.8.36.122 or 1029.8.36.123, for a taxation year, in relation to the qualified wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified wages, if the agreed proportion in respect of the taxpayer for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer, or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 303; 2006, c. 36, s. 247; 2009, c. 15, s. 419.

Deemed repayment of assistance.

1129.45.25. For the purposes of Part I, except Division II.6.11 of Chapter III.1 of Title III of Book IX, the tax paid by a taxpayer to the Minister at any time under this Part in relation to a particular expenditure is deemed to be assistance repaid at that time in respect of that expenditure pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.24, where the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by the partnership; or

(b) the taxpayer, in all other cases.

History: 1999, c. 86, s. 89; 2001, c. 7, s. 169.

Provisions applicable.

1129.45.26. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564, where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1999, c. 86, s. 89; 2002, c. 40, s. 304.

PART III.10.7**SPECIAL TAX RELATING TO SOLICITATION EXPENDITURE IN RESPECT OF A FOREIGN INVESTMENT FUND****Definition.**

1129.45.27. In this Part, “qualified solicitation expenditure” has the meaning assigned by section 1029.8.36.125.

History: 2001, c. 51, s. 220; 2002, c. 40, s. 305; 2007, c. 12, s. 273.

Tax payable.

1129.45.28. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.129, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to a qualified solicitation expenditure made by the corporation is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.129, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under that section, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to a qualified solicitation expenditure made by the corporation, were refunded, paid or allocated in the taxation year in which the corporation made the expenditure; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

History: 2001, c. 51, s. 220; 2002, c. 40, s. 306.

Tax payable.

1129.45.29. Every taxpayer who is a member of a partnership and who is deemed to have paid an amount to the Minister, under section 1029.8.36.132, on account of the taxpayer’s tax payable under Part I, in relation to the partnership, shall pay the tax referred to in the second paragraph for the taxation year in which a fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to a qualified solicitation expenditure made by the partnership is, directly or indirectly, refunded or otherwise paid to the partnership or taxpayer or allocated to a payment to be made by the partnership or taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister for a taxation year under section 1029.8.36.132, in relation to the partnership, if the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under that section, for a taxation year, in relation to the partnership, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to a qualified solicitation expenditure made by the partnership, were refunded, paid or allocated in the fiscal period in which the partnership made the expenditure, and

ii. the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer would be required to pay to the Minister under this section, in relation to the partnership, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the taxpayer, or allocated to a payment to be made by the taxpayer is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.

History: 2001, c. 51, s. 220; 2002, c. 40, s. 306; 2006, c. 36, s. 248; 2009, c. 15, s. 420.

Deemed repayment of assistance.

1129.45.30. For the purposes of Part I, except for Division II.6.12 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time, under this Part, in relation to a particular expenditure, is deemed to be

an amount of assistance repaid at that time in respect of that expenditure pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.29, where the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by the partnership; or

(b) the taxpayer, in any other case.

History: 2001, c. 51, s. 220.

Provisions applicable.

1129.45.31. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2001, c. 51, s. 220; 2002, c. 40, s. 307.

PART III.10.8

SPECIAL TAX RELATING TO FINANCIAL ANALYSTS SPECIALIZED IN SECURITIES OF QUÉBEC CORPORATIONS OR IN FINANCIAL DERIVATIVES

Definitions.

1129.45.32. In this Part, “qualified wages” and “wages” have the meaning assigned by section 1029.8.36.147.

History: 2002, c. 9, s. 128; 2007, c. 12, s. 304; 2010, c. 25, s. 216.

Tax payable.

1129.45.33. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.152, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages paid to an individual for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.152 or 1029.8.36.154, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.152 or 1029.8.36.154, in relation to the qualified wages, if every amount that is, at or

before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2002, c. 9, s. 128; 2002, c. 40, s. 308.

Deemed repayment of assistance.

1129.45.34. For the purposes of Part I, except Division II.6.13 of Chapter III.1 of Title III of Book IX, the tax paid, at any time, by a corporation to the Minister under this Part in relation to qualified wages is deemed to be an amount of assistance repaid by the corporation at that time in respect of those wages pursuant to a legal obligation.

History: 2002, c. 9, s. 128.

Provisions applicable.

1129.45.35. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 9, s. 128.

PART III.10.9

SPECIAL TAX IN RESPECT OF THE CREDIT RELATING TO COMMUNICATIONS BETWEEN CORPORATIONS AND STOCK MARKET INVESTORS

Definitions:

1129.45.36. In this Part,

“*communications expenditure*”;

“communications expenditure” has the meaning assigned by section 1029.8.36.157;

“*eligible communications expenditure*”;

“eligible communications expenditure” has the meaning assigned by section 1029.8.36.157;

“*eligible road show*”.

“eligible road show” has the meaning assigned by section 1029.8.36.157.

History: 2002, c. 40, s. 309; 2007, c. 12, s. 304.

Tax payable.

1129.45.37. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.163, on account of its tax payable for a particular taxation year under Part I, in relation to its eligible communications

expenditure for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "repayment year", in which an amount relating to expenses taken into account in determining a communications expenditure included in computing the eligible communications expenditure is, directly or indirectly, refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.163 or 1029.8.36.165, in relation to its eligible communications expenditure for the particular year, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.163 or 1029.8.36.165, in relation to the eligible communications expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to expenses taken into account in determining a communications expenditure included in computing the eligible communications expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section, for a taxation year preceding the repayment year, in relation to the eligible communications expenditure.

Exception.

However, no tax is payable under this section if section 1129.45.39 applies, for the repayment year or a preceding taxation year, in respect of the eligible communications expenditure.

History: 2002, c. 40, s. 309.

Amount deemed refunded.

1129.45.38. For the purposes of section 1129.45.37, the amount determined in the second paragraph, in relation to particular expenses taken into account in determining a communications expenditure included in computing the eligible communications expenditure of the corporation for a particular taxation year, is deemed to be refunded to the corporation in a subsequent taxation year, in this section referred to as the "repayment year", in which the Minister of Finance revokes the certificate that was issued to the corporation for the particular year in respect of the eligible road show for which the communications expenditure was incurred.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the particular expenses exceed the aggregate of all amounts each of which is an amount relating to the particular expenses that, in a taxation year preceding the repayment year but subsequent to the particular year, was refunded, otherwise paid or allocated to a payment to be made by the corporation.

Exception.

No tax is payable for a taxation year under section 1129.45.37, in respect of any amount that is refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation, if that amount is included in an amount that is deemed to have been refunded, under this section, in that taxation year or in a preceding taxation year.

History: 2002, c. 40, s. 309.

Tax payable.

1129.45.39. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.163, on account of its tax payable for a particular taxation year under Part I, in relation to its eligible communications expenditure for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the "revocation year", in which the Minister of Finance revokes the certificate referred to in the definition of "qualified corporation", in the first paragraph of section 1029.8.36.157, that was issued to the corporation for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.163 or 1029.8.36.165, in relation to the eligible communications expenditure, exceeds the aggregate of all amounts each of which is a tax the corporation is required to pay to the Minister under section 1129.45.37, for a taxation year preceding the revocation year, in relation to the eligible communications expenditure.

History: 2002, c. 40, s. 309.

Deemed repayment of assistance.

1129.45.40. For the purposes of Part I, except Division II.6.14 of Chapter III.1 of Title III of Book IX, the tax paid, at any time, by a corporation to the Minister under this Part in relation to an eligible communications expenditure is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure pursuant to a legal obligation.

History: 2002, c. 40, s. 309.

Provisions applicable.

1129.45.41. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 40, s. 309.

PART III.10.9.1**SPECIAL TAX RELATING TO THE CREDITS TO FOSTER THE PARTICIPATION OF SECURITIES DEALERS ON THE NASDAQ STOCK EXCHANGE****Definitions:**

1129.45.41.1. In this Part,

“expenditure in respect of administrative costs”;

“expenditure in respect of administrative costs” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.166.1;

“expenditure in respect of labour recruitment and training”;

“expenditure in respect of labour recruitment and training” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.166.1;

“expenditure in respect of technological equipment”;

“expenditure in respect of technological equipment” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.166.1;

“expenditure in respect of the eligible transaction management system”.

“expenditure in respect of the eligible transaction management system” of a corporation for a taxation year has the meaning assigned by section 1029.8.36.166.1.

History: 2003, c. 9, s. 413; 2007, c. 12, s. 304.

Tax payable.

1129.45.41.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.9, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to expenses or professional fees that were included in computing the expenditure in respect of administrative costs of the corporation for a taxation year is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to

the Minister under section 1029.8.36.166.9 or 1029.8.36.166.26, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of those sections, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the expenses or professional fees that were included in computing the expenditure in respect of administrative costs of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

Exception.

However, no tax is payable under this section if section 1129.45.41.6 applies, for the repayment year or a preceding taxation year, in respect of the expenditure in respect of administrative costs of the corporation for a taxation year.

History: 2003, c. 9, s. 413.

Tax payable.

1129.45.41.3. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.12, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to expenses that were included in computing the expenditure in respect of technological equipment of the corporation for a taxation year is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.12 or 1029.8.36.166.27, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of those sections, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the expenses that were included in computing the expenditure in respect of technological equipment of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

Exception.

However, no tax is payable under this section if section 1129.45.41.7 applies, for the repayment year or a preceding taxation year, in respect of the expenditure in respect of technological equipment of the corporation for a taxation year.

History: 2003, c. 9, s. 413.

Tax payable.

1129.45.41.4. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.15, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment year”, in which an amount relating to expenses that were included in computing the expenditure in respect of labour recruitment and training of the corporation for a taxation year is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.15 or 1029.8.36.166.28, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of those sections, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the expenses that were included in computing the expenditure in respect of labour recruitment and training of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

Exception.

However, no tax is payable under this section if section 1129.45.41.8 applies, for the repayment year or a preceding taxation year, in respect of the expenditure in respect of labour recruitment and training of the corporation for a taxation year.

History: 2003, c. 9, s. 413.

Tax payable.

1129.45.41.5. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.18, on account of its tax payable under Part I shall pay the tax referred to in the second paragraph for a taxation year, in this section referred to as the “repayment

year”, in which an amount relating to expenses or a royalty that were included in computing the expenditure in respect of the eligible transaction management system of the corporation for a taxation year is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.18 or 1029.8.36.166.29, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of those sections, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the expenses or a royalty that were included in computing the expenditure in respect of the eligible transaction management system of the corporation for a taxation year, were refunded, paid or allocated in the taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year.

Exception.

However, no tax is payable under this section if section 1129.45.41.9 applies, for the repayment year or a preceding taxation year, in respect of the expenditure in respect of the eligible transaction management system of the corporation for a taxation year.

History: 2003, c. 9, s. 413.

Tax payable where the qualification certificate is revoked.

1129.45.41.6. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.9, on account of its tax payable for a particular taxation year under Part I, in relation to its expenditure in respect of administrative costs for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “revocation year”, in which the Minister of Finance revokes the qualification certificate referred to in the definition of “qualified corporation” in section 1029.8.36.166.1 that was issued to the corporation for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.166.9 or 1029.8.36.166.26, in relation to the expenditure in respect of

administrative costs, exceeds the aggregate of all amounts each of which is a tax the corporation is required to pay to the Minister under section 1129.45.41.2, for a taxation year preceding the revocation year, in relation to the expenditure in respect of administrative costs.

History: 2003, c. 9, s. 413.

Tax payable where the qualification certificate is revoked.

1129.45.41.7. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.12, on account of its tax payable for a particular taxation year under Part I, in relation to its expenditure in respect of technological equipment for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “revocation year”, in which the Minister of Finance revokes the qualification certificate referred to in the definition of “qualified corporation” in section 1029.8.36.166.1 that was issued to the corporation for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.166.12 or 1029.8.36.166.27, in relation to the expenditure in respect of technological equipment, exceeds the aggregate of all amounts each of which is a tax the corporation is required to pay to the Minister under section 1129.45.41.3, for a taxation year preceding the revocation year, in relation to the expenditure in respect of technological equipment.

History: 2003, c. 9, s. 413.

Tax payable where the qualification certificate is revoked.

1129.45.41.8. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.15, on account of its tax payable for a particular taxation year under Part I, in relation to its expenditure in respect of labour recruitment and training for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “revocation year”, in which the Minister of Finance revokes the qualification certificate referred to in the definition of “qualified corporation” in section 1029.8.36.166.1 that was issued to the corporation for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.166.15 or 1029.8.36.166.28, in relation to the expenditure in respect of labour recruitment and training, exceeds the aggregate of all

amounts each of which is a tax the corporation is required to pay to the Minister under section 1129.45.41.4, for a taxation year preceding the revocation year, in relation to the expenditure in respect of labour recruitment and training.

History: 2003, c. 9, s. 413.

Tax payable where the qualification certificate is revoked.

1129.45.41.9. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.18, on account of its tax payable for a particular taxation year under Part I, in relation to its expenditure in respect of the eligible transaction management system for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “revocation year”, in which the Minister of Finance revokes the qualification certificate referred to in the definition of “qualified corporation” in section 1029.8.36.166.1 or the certificate referred to in the definition of “eligible transaction management system” in that section that was issued to the corporation for the particular year.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under section 1029.8.36.166.18 or 1029.8.36.166.29, in relation to the expenditure in respect of the eligible transaction management system, exceeds the aggregate of all amounts each of which is a tax the corporation is required to pay to the Minister under section 1129.45.41.5, for a taxation year preceding the revocation year, in relation to the expenditure in respect of the eligible transaction management system.

History: 2003, c. 9, s. 413.

Deemed repayment of assistance.

1129.45.41.10. For the purposes of Part I, except Division II.6.14.1 of Chapter III.1 of Title III of Book IX, the tax paid, at any time, by a corporation to the Minister under this Part in relation to its expenditure in respect of administrative costs, its expenditure in respect of technological equipment, its expenditure in respect of labour recruitment and training or its expenditure in respect of the eligible transaction management system, is deemed to be an amount of assistance repaid by the corporation at that time pursuant to a legal obligation.

History: 2003, c. 9, s. 413.

Provisions applicable.

1129.45.41.11. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and

sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2003, c. 9, s. 413.

PART III.10.9.2

SPECIAL TAX IN RESPECT OF THE CREDIT FOR INVESTMENTS RELATING TO MANUFACTURING AND PROCESSING EQUIPMENT

Interpretation.

1129.45.41.12. In this Part, “eligible expenses” and “qualified property” have the meaning assigned by section 1029.8.36.166.40.

History: 2009, c. 15, s. 421.

Tax payable.

1129.45.41.13. Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.43, 1029.8.36.166.46 and 1029.8.36.166.47, on account of its tax payable under Part I for a particular taxation year, in relation to its eligible expenses for the year in respect of a qualified property, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

Exception.

However, no tax is payable under this section, in relation to the eligible expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.15 applies in respect of the property for the repayment year or applied in respect of the property for a preceding taxation year.

History: 2009, c. 15, s. 421.

Tax payable.

1129.45.41.14. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.44, 1029.8.36.166.46 and 1029.8.36.166.47, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to the partnership’s eligible expenses, in respect of a qualified property, for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Exception.

However, no tax is payable under this section, in relation to the eligible expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.16 applies in respect of the property for the taxation year in which the fiscal period of repayment ends or applied in respect of the property in a preceding taxation year.

History: 2009, c. 15, s. 421.

Tax payable if property ceases to be used.

1129.45.41.15. Every corporation that, in relation to its eligible expenses in respect of a qualified property, is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.43, 1029.8.36.166.46 and 1029.8.36.166.47, on account of its tax payable under Part I for any taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph, if at any time between the corporation's filing-due date for the taxation year preceding the particular year and the day after the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, or, if it precedes the day that is the end of the period of 730 days, the filing-due date, for the particular year, of the purchaser that owns the property at the end of the particular year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property; or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to its eligible expenses in respect of the qualified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.13, in relation to its eligible expenses in respect of the property, for a taxation year preceding the particular year.

History: 2009, c. 15, s. 421.

Tax payable if property ceases to be used.

1129.45.41.16. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.44, 1029.8.36.166.46 and 1029.8.36.166.47, on account of the corporation's tax payable under Part I for any given taxation year in relation to its share of the partnership's eligible expenses in respect of a qualified property in a fiscal period of the partnership that ends in the given year, shall pay, for a particular taxation year, the tax computed under the second paragraph, if at any time between the day that is six months after the end of the partnership's fiscal period that ends in the taxation year preceding the particular year and the day after the earlier of the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, and the day that is six months after the end of the partnership's fiscal period that ends in the particular year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property, or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of

the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, in respect of the qualified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.14, in respect of the property, for a taxation year preceding the particular year.

History: 2009, c. 15, s. 421.

Deemed repayment of assistance.

1129.45.41.17. For the purposes of Part I, except Division II.6.14.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to eligible expenses in respect of a qualified property, is deemed to be an amount of assistance repaid at that time in respect of those expenses, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.41.14 or 1129.45.41.16, in the case of tax paid under that section; or

(b) the corporation, in any other case.

History: 2009, c. 15, s. 421.

Provisions applicable.

1129.45.41.18. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2009, c. 15, s. 421.

PART III.10.9.2.1

SPECIAL TAX RELATING TO THE CREDIT IN RESPECT OF A BUILDING USED IN CONNECTION WITH MANUFACTURING OR PROCESSING ACTIVITIES

Meaning of certain expressions in this Part.

1129.45.41.18.1. In this Part, “expenditure of a capital nature”, “qualified building” and “qualified expenditure” have the meaning assigned by section 1029.8.36.166.60.1.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.2. Every corporation that is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.8 on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure for the year in respect of a qualified building, is required to pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.166.60.8 or 1029.8.36.166.60.14 in relation to the qualified expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.166.60.8 or 1029.8.36.166.60.14 in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated in relation to the qualified expenditure, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister in relation to the qualified expenditure under this section for a taxation year preceding the repayment year or under the third paragraph of section 1129.45.41.18.4 for the repayment year or for a preceding taxation year.

Exception.

However, no tax is payable under this section in relation to the qualified expenditure in respect of a building referred to in the first paragraph if the first paragraph of section 1129.45.41.18.4 applies in respect of the building for the repayment year or for a preceding taxation year.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.3. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.9 on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the partnership, in respect of a qualified building, for the partnership’s particular fiscal period that ends in the particular taxation year, is required to pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership (in this section

referred to as the “fiscal period of repayment”) ends, in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.60.9, 1029.8.36.166.60.15 and 1029.8.36.166.60.16, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.60.9, 1029.8.36.166.60.15 and 1029.8.36.166.60.16, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the qualified expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated in relation to the qualified expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment, or is required to pay under the third paragraph of section 1129.45.41.18.5 for the taxation year in which the fiscal period of repayment ends or for a preceding taxation year.

Rules applicable.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Exception.

However, no tax is payable under this section in relation to the qualified expenditure in respect of a building referred to in the first paragraph if the first paragraph of section 1129.45.41.18.5 applies in respect of the building for the taxation year in which the fiscal period of repayment ends or for a preceding taxation year.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.4. Every corporation that, in relation to a qualified expenditure in respect of a qualified building, is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.8, on account of its tax payable under Part I for any taxation year, is required to pay, for a particular taxation year, the tax referred to in the second paragraph if the corporation, before it begins to use the qualified building in a manner consistent with paragraph b of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1, disposes of it at any time between the corporation’s filing-due date for the taxation year preceding the particular year and the day after the day that is the end of the 48-month period following the last day of the taxation year where, for the first time, the corporation incurred an expenditure of a capital nature in respect of the qualified building or, if it is earlier, the corporation’s filing-due date for the particular year, or if that 48-month period ends in the particular year, did not use the qualified building at any time in the 48-month period in a manner consistent with that paragraph b, unless the disposition or failure to use arises by reason of the involuntary destruction of the qualified building by fire, theft or water.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the particular taxation year under section 1029.8.36.166.60.8 or 1029.8.36.166.60.14, in respect of the qualified building, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.2 in respect of the qualified building for a taxation year preceding the particular year.

Tax liability.

Every corporation that, in relation to a qualified expenditure in respect of a qualified building, is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.8, on account of its tax payable under Part I for any taxation year and that began to use the qualified building in a manner

consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 within a 48-month period following the last day of the taxation year where, for the first time, it incurred an expenditure of a capital nature in respect of the qualified building, is required to pay, for a particular taxation year, the tax determined under the fourth paragraph if, at any given time between the corporation’s filing-due date for the taxation year preceding the particular year and the day after the day that is the end of the 48-month period that begins on the day on which the use began or, if it is earlier, the corporation’s filing-due date for the particular year, the corporation disposes of the qualified building or ceases to use it in a manner consistent with that paragraph *b*, otherwise than by reason of the involuntary destruction of the qualified building by fire, theft or water.

Amount of tax payable.

The tax to which the third paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.8 or 1029.8.36.166.60.14, in respect of the qualified building, for a taxation year preceding the particular taxation year, exceeds the total of

(a) the proportion of the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the particular taxation year under section 1029.8.36.166.60.8 or 1029.8.36.166.60.14, in respect of the qualified building, exceeds the aggregate of all amounts each of which is a tax required to be paid by the corporation under section 1129.45.41.18.2, in respect of the qualified building for a taxation year preceding the particular year, that the number of months in the period that begins on the day on which the qualified building began to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 and that ends at the given time referred to in the third paragraph is of 48; and

(b) the aggregate of all amounts each of which is a tax required to be paid by the corporation under section 1129.45.41.18.2, in respect of the qualified building, for a taxation year preceding the particular year.

Rules of application.

For the purposes of this section, the following rules apply

(a) a month means a period that begins on a particular day in a calendar month and that ends

i. on the day immediately before the day in the following calendar month that has the same calendar number as the particular day, or

ii. where the following calendar month does not have a day that has the same calendar number as the particular day, on the last day of the following month;

(b) a qualified building is deemed to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 for an entire month if the building is so used for more than 15 days in the month;

(c) a qualified building that temporarily ceases to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 is deemed to be used in a manner consistent with that paragraph *b* if the Minister is of the opinion that the use ceased for reasonable grounds; and

(d) where the qualified corporation disposes of a qualified building to a corporation with which it is associated at the time of the disposition, the qualified building is deemed to not have been disposed of at that time and the qualified corporation is deemed, from that time and for the purposes of this subparagraph, to be the same person as the purchaser of the qualified building.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.5. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.9 on account of its tax payable under Part I for any given taxation year, in relation to a qualified expenditure of the partnership in respect of a qualified building, for the particular fiscal period of the partnership that ends in the given taxation year, is required to pay, for a particular taxation year, the tax referred to in the second paragraph if the partnership, before it begins to use the qualified building in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1, disposes of it at any time between the day that is six months after the end of the partnership’s fiscal period that ends in the taxation year preceding the particular year and the day after the day that is the end of the 48-month period following the last day of the fiscal period where, for the first time, the partnership incurred an expenditure of a capital nature in respect of the qualified building or, if it is earlier, the day that is six months after the end of the partnership’s fiscal period that ends in the particular year or, if the 48-month period ends in the partnership’s fiscal period that ends in the particular year, did not use the qualified building at any time in the 48-month period in a manner consistent with that paragraph *b*, unless the disposition or failure to use arises by reason of the involuntary destruction of the qualified building by fire, theft or water.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the particular taxation year under any of sections 1029.8.36.166.60.9, 1029.8.36.166.60.15 and 1029.8.36.166.60.16, in respect of the qualified building, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.3 in respect of the qualified building for a taxation year preceding the particular year.

Tax liability.

Where a corporation that is a member of a partnership is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.9 on account of its tax payable under Part I for any given taxation year, in relation to a qualified expenditure of the partnership in respect of a qualified building for the particular fiscal period of the partnership that ends in the given taxation year, and the partnership began to use the qualified building in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 within a 48-month period following the last day of the fiscal period where, for the first time, the partnership incurred an expenditure of a capital nature in respect of the qualified building, the corporation is required to pay, for a particular taxation year, the tax determined under the fourth paragraph if, at any given time between the day that is six months after the end of the partnership’s fiscal period that ends in the taxation year preceding the particular year and the day after the day that is the end of the 48-month period that begins on the day on which the use began or, if it is earlier, the day that is six months after the end of the partnership’s fiscal period that ends in the particular year, the partnership disposes of the qualified building or ceases to use it in a manner consistent with that paragraph *b*, otherwise than by reason of the involuntary destruction of the qualified building by fire, theft or water.

Amount of tax payable.

The tax to which the third paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.60.9, 1029.8.36.166.60.15 and 1029.8.36.166.60.16, in respect of the qualified building, for a taxation year preceding the particular taxation year, exceeds the total of

(a) the proportion of the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the particular taxation year under any of sections 1029.8.36.166.60.9, 1029.8.36.166.60.15 and 1029.8.36.166.60.16, in respect of the qualified building, exceeds the aggregate of all amounts each of which is a tax required to be paid by the corporation under section

1129.45.41.18.3, in respect of the qualified building, for a taxation year preceding the particular year, that the number of months in the period that begins on the day on which the qualified building began to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 and that ends at the given time referred to in the third paragraph is of 48; and

(b) the aggregate of all amounts each of which is a tax required to be paid by the corporation under section 1129.45.41.18.3, in respect of the qualified building, for a taxation year preceding the particular year.

Rules of application.

For the purposes of this section, the following rules apply:

(a) a month means a period that begins on a particular day in a calendar month and that ends

i. on the day immediately before the day in the following calendar month that has the same calendar number as the particular day, or

ii. where the following calendar month does not have a day that has the same calendar number as the particular day, on the last day of the following month;

(b) a qualified building is deemed to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 for an entire month if the building is so used for more than 15 days in the month; and

(c) a qualified building that temporarily ceases to be used in a manner consistent with paragraph *b* of the definition of “qualified building” in the first paragraph of section 1029.8.36.166.60.1 is deemed to be used in a manner consistent with that paragraph *b* if the Minister is of the opinion that the use ceased for reasonable grounds.

History: 2015, c. 21, s. 519.

Deemed repayment of assistance.

1129.45.41.18.6. For the purposes of Part I, except Division II.6.14.2.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under this Part, in relation to a qualified expenditure in respect of a qualified building, is deemed to be an amount of assistance repaid at that time in respect of that expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.41.18.3 or 1129.45.41.18.5, as the case may be, in the case of tax paid under that section; or

(b) the corporation, in any other case.

History: 2015, c. 21, s. 519.

Provisions applicable to this Part.

1129.45.41.18.7. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 519.

PART III.10.9.2.2**SPECIAL TAX IN RESPECT OF THE TAX CREDIT RELATING TO INFORMATION TECHNOLOGY INTEGRATION****Meaning of “eligible expenses”.**

1129.45.41.18.8. In this Part, “eligible expenses” has the meaning assigned by section 1029.8.36.166.60.19.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.9. Every corporation that is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.27, on account of its tax payable under Part I for a particular taxation year, in relation to eligible expenses of the corporation for the particular year, is required to pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.166.60.27 or 1029.8.36.166.60.31, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.166.60.27 or 1029.8.36.166.60.31 in relation to the eligible expenses if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year in relation to the eligible expenses.

History: 2015, c. 21, s. 519.

Tax liability.

1129.45.41.18.10. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.28 on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the partnership for the partnership’s particular fiscal period that ends in the particular taxation year, is required to pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) ends, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Amount of tax payable.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.60.28, 1029.8.36.166.60.32 and 1029.8.36.166.60.33, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.60.28, 1029.8.36.166.60.32 and 1029.8.36.166.60.33 for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Rules applicable.

For the purposes of the second paragraph, an amount referred to in subparagraph *i* of subparagraph *a* of that paragraph that

is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2015, c. 21, s. 519.

Deemed repayment of assistance.

1129.45.41.18.11. For the purposes of Part I, except Division II.6.14.2.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to eligible expenses, is deemed to be an amount of assistance repaid at that time in respect of those expenses, pursuant to a legal obligation, by

(a) the corporation, in the case of tax paid under section 1129.45.41.18.9; or

(b) the partnership referred to in section 1129.45.41.18.10, in the case of tax paid under that section.

History: 2015, c. 21, s. 519.

Provisions applicable to this Part.

1129.45.41.18.12. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 519.

PART III.10.9.3

SPECIAL TAX RELATING TO THE CREDIT FOR INTERNATIONAL FINANCIAL CENTRES

Definitions.

1129.45.41.19. In this Part, “eligible employee”, “qualified wages” and “wages” have the meaning assigned by section 1029.8.36.166.61.

History: 2011, c. 1, s. 108.

Tax payable.

1129.45.41.20. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.62, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this

section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.62 or 1029.8.36.166.63, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.166.62 or 1029.8.36.166.63, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2011, c. 1, s. 108.

Repayment of assistance.

1129.45.41.21. For the purposes of Part I, except Division II.6.14.3 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.45.41.20, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

History: 2011, c. 1, s. 108.

Provisions applicable.

1129.45.41.22. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2011, c. 1, s. 108.

PART III.10.9.4
SPECIAL TAX RELATING TO THE CREDIT FOR
THE HIRING OF EMPLOYEES BY NEW
FINANCIAL SERVICES CORPORATIONS

Definitions.

1129.45.41.23. In this Part, “eligible employee” and “qualified wages” have the meaning assigned by section 1029.8.36.166.65.

History: 2013, c. 10, s. 166.

Tax payable.

1129.45.41.24. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.66, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.66 or 1029.8.36.166.67, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.166.66 or 1029.8.36.166.67, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

History: 2013, c. 10, s. 166.

Repayment of assistance.

1129.45.41.25. For the purposes of Part I, except Division II.6.14.4 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.45.41.24, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by

the corporation in respect of the wages, pursuant to a legal obligation to do so.

History: 2013, c. 10, s. 166.

Provisions applicable.

1129.45.41.26. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 166.

PART III.10.9.5
SPECIAL TAX RELATING TO THE CREDIT FOR
NEW FINANCIAL SERVICES CORPORATIONS

Definition.

1129.45.41.27. In this Part, “qualified expenditure” has the meaning assigned by section 1029.8.36.166.69.

History: 2013, c. 10, s. 166.

Tax payable.

1129.45.41.28. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.70, on account of its tax payable under Part I for a particular taxation year, in relation to a qualified expenditure incurred in the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to an expenditure included in computing the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Tax amount.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.70 or 1029.8.36.166.78, in relation to the qualified expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.166.70 or 1029.8.36.166.78, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in computing the qualified expenditure, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this

section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

History: 2013, c. 10, s. 166.

Repayment of assistance.

1129.45.41.29. For the purposes of Part I, except Division II.6.14.5 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to a qualified expenditure of the corporation is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation to do so.

History: 2013, c. 10, s. 166.

Provisions applicable.

1129.45.41.30. Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 166.

PART III.10.10

SPECIAL TAX RELATING TO THE CREDIT RELATING TO MINING, PETROLEUM, GAS OR OTHER RESOURCES

Definition.

1129.45.42. In this Part, “eligible expenses” has the meaning assigned by section 1029.8.36.167.

History: 2002, c. 40, s. 309; 2007, c. 12, s. 274.

Tax payable.

1129.45.43. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.168 or 1029.8.36.170, on account of its tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the corporation for the particular year, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.168 or 1029.8.36.170 or under any of sections 1029.8.36.171.1, 1029.8.36.171.2 and

1029.8.36.173, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.168 or 1029.8.36.170 or under any of sections 1029.8.36.171.1, 1029.8.36.171.2 and 1029.8.36.173, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

History: 2002, c. 40, s. 309; 2004, c. 21, s. 485.

Tax payable.

1129.45.44. Every corporation that is a member of a partnership and that is deemed to have paid an amount to the Minister, under section 1029.8.36.169 or 1029.8.36.171, on account of its tax payable under Part I for a particular taxation year, in relation to the eligible expenses of the partnership for the partnership’s particular fiscal period that ends in the particular year, shall pay the tax referred to in the second paragraph for the taxation year in which a subsequent fiscal period of the partnership ends, in this section referred to as the “fiscal period of repayment”, in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under section 1029.8.36.169 or 1029.8.36.171 or under any of sections 1029.8.36.171.1, 1029.8.36.171.2, 1029.8.36.174 and 1029.8.36.175, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.169 or 1029.8.36.171 or under any of sections 1029.8.36.171.1, 1029.8.36.171.2, 1029.8.36.174 and 1029.8.36.175, for a taxation year in which a fiscal period of the partnership preceding the fiscal

period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

History: 2002, c. 40, s. 309; 2004, c. 21, s. 486; 2006, c. 36, s. 249; 2009, c. 15, s. 422.

Deemed repayment of assistance.

1129.45.44.1. For the purposes of Part I, except Division II.6.15 of Chapter III.1 of Title III of Book IX, the tax paid to the Minister by a corporation at any time under this Part, in relation to eligible expenses incurred after 12 June 2003, is deemed to be an amount of assistance repaid at that time in respect of the expenses, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.44, if the tax arises from an amount directly or indirectly refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) the corporation, in any other case.

History: 2006, c. 36, s. 250.

Provisions applicable.

1129.45.45. Except where inconsistent with this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 40, s. 309.

PART III.10.11 SPECIAL TAX RELATING TO QUALIFIED PATRONAGE DIVIDENDS OF COOPERATIVES

Definitions:

1129.45.46. In this Part,

“qualification certificate”;

“qualification certificate” means the qualification certificate referred to in the definition of “qualified cooperative” in section 726.27;

“qualified patronage dividend”.

“qualified patronage dividend” of a cooperative or a federation of cooperatives means a patronage dividend allocated by the cooperative or federation of cooperatives in the form of a preferred share received after 21 February 2002 and before 1 January 2023 by a member of the cooperative or federation of cooperatives.

History: 2004, c. 21, s. 487; 2007, c. 12, s. 304; 2013, c. 10, s. 167.

Tax payable.

1129.45.47. Where, in a taxation year, the Minister of Economy and Innovation revokes a qualification certificate issued to a cooperative or a federation of cooperatives, the cooperative or federation of cooperatives shall pay for the year a tax equal to 10% of the amount that is the aggregate of all qualified patronage dividends it allocated in respect of a taxation year covered by the notice of revocation of the qualification certificate.

History: 2004, c. 21, s. 487; 2006, c. 8, s. 31; 2013, c. 10, s. 168.

Provisions applicable.

1129.45.48. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph b of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2004, c. 21, s. 487.

PART III.11**ADDITIONAL TAX FOR MANUFACTURERS OF TOBACCO PRODUCTS****Definition.**

1129.46. In this Part, “establishment” has the meaning assigned by section 1.

History: 1995, c. 49, s. 235; 1997, c. 3, s. 71; 1997, c. 14, s. 290; 2002, c. 40, s. 310; 2007, c. 12, s. 275.

Tax liability.

1129.47. Every corporation having an establishment in Québec at any time in a taxation year shall pay a tax for that year equal to the product obtained by multiplying the amount determined under section 1129.48 in respect of the corporation for the year by the proportion that

(a) the number of days in the year that are after 8 February 1994 and before 9 February 1997, is of

(b) the number of days in the year.

History: 1995, c. 49, s. 235; 1997, c. 3, s. 71.

Corresponding Federal Provision: 182(1).

Amount of the tax.

1129.48. The amount referred to in section 1129.47 in respect of a corporation for a taxation year is equal to the lesser of

(a) the tax payable by the corporation for its taxation year 1993 under Part IV, and

(b) the amount determined in respect of the corporation for the year by the formula

$A \times B$.

Interpretation.

For the purposes of the formula in subparagraph *b* of the first paragraph,

(a) *A* is the amount that would be determined in respect of the corporation for the year under the definition of “Part I tax on tobacco manufacturing profits” in subsection 2 of section 182 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), if the reference therein to “21%” were read as “4.45%”; and

(b) *B* is the ratio between the business carried on by the corporation in Québec in the year and the total business carried on by the corporation in Canada or in Québec and elsewhere in the year, as determined by regulation.

History: 1995, c. 49, s. 235; 1997, c. 3, s. 71.

Corresponding Federal Provision: 182(2) “Part I tax on tobacco manufacturing profits”.

Time of payment.

1129.49. Every corporation shall pay to the Minister, on or before the later of 6 January 1996 and the last day of the second month after the end of its taxation year, its tax payable under this Part for the year.

History: 1995, c. 49, s. 235; 1997, c. 3, s. 71.

Corresponding Federal Provision: 183(2).

Provisions applicable.

1129.50. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 1995, c. 49, s. 235.

Corresponding Federal Provision: 183(3).

PART III.12**TAX ON ENVIRONMENTAL TRUSTS****Definitions:**

1129.51. In this Part,

“*balance-due day*”;

“balance-due day” has the meaning assigned by section 1;

“*Canada*”;

“Canada” has the meaning assigned by section 1;

“*environmental trust*”;

“environmental trust” means a trust

(a) each trustee of which is

i. the State, Her Majesty in right of Canada or Her Majesty in right of a province, other than Québec, or

ii. a corporation resident in Canada that is licensed or otherwise authorized under the laws of Canada or a province to offer its services as trustee in Canada;

(b) that is maintained for the sole purpose of funding the reclamation of a qualifying site;

(c) that is, or may become, required to be maintained under

i. a qualifying contract, or

ii. a qualifying law or order; and

(d) that is not an excluded trust;

“*excluded trust*”;

“excluded trust”, at a particular time, means a trust that

(a) has as its object at that time the reclamation of a well;

(b) is not maintained at that time to secure the reclamation obligations of one or more persons or partnerships that are beneficiaries under the trust;

(c) borrows money at that time;

(d) if the trust is not a trust to which paragraph e applies, acquires at that time any property that is not described in any of paragraphs a, b and f of the definition of “qualified investment” in section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(e) if the trust is created after 31 December 2011 (or if the trust was created before 1 January 2012, it made a valid election under paragraph e of the definition of “excluded trust” in subsection 1 of section 211.6 of the Income Tax Act),

i. acquires at that time any property that is not described in any of paragraphs a, b, c, c.1, d and f of the definition of “qualified investment” in section 204 of the Income Tax Act, or

ii. holds at that time a prohibited investment;

(f) is not a qualifying environmental trust for the purposes of the Income Tax Act because of a valid election made by it to that effect under paragraph f of the definition of “excluded trust” in subsection 1 of section 211.6 of that Act; or

(g) was, at any time before the particular time but during its existence, not an environmental trust (within the meaning of section 21.40 as it applied at that time);

“prohibited investment”;

“prohibited investment”, of a trust at any time, means a property that

(a) at the time it was acquired by the trust, was described in any of paragraphs c, c.1 and d of the definition of “qualified investment” in section 204 of the Income Tax Act; and

(b) was issued by

i. a person or partnership that has contributed property to, or that is a beneficiary under, the trust,

ii. a person that is related to, or a partnership that is affiliated with, a person or partnership that has contributed property to, or that is a beneficiary under, the trust, or

iii. a particular person or partnership if

(1) another person or partnership holds a significant interest (within the meaning of subsection 4 of section 207.01 of the Income Tax Act with the necessary modifications) in the particular person or partnership, and

(2) the holder of that significant interest has contributed property to, or is a beneficiary under, the trust;

“property”;

“property” has the meaning assigned by section 1;

“province”;

“province” has the meaning assigned by section 1;

“qualifying contract”;

“qualifying contract”, in respect of a trust, means a contract entered into with the State, Her Majesty in right of Canada or Her Majesty in right of a province, other than Québec, on or before the later of 1 January 1996 and the day that is one year after the day on which the trust was created;

“qualifying law or order”;

“qualifying law or order”, in respect of a trust, means

(a) a law of Canada or a province that was enacted on or before the later of 1 January 1996 and the day that is one year after the day on which the trust was created; and

(b) if the trust was created after 31 December 2011, an order made

i. by a tribunal constituted under a law described in paragraph a, and

ii. on or before the day that is one year after the day on which the trust was created;

“qualifying site”;

“qualifying site”, in respect of a trust, means a site in Canada that is or has been used primarily for, or for any combination of,

(a) the operation of a mine;

(b) the extraction of clay, peat, sand, shale or aggregates (including dimension stone and gravel);

(c) the deposit of waste; or

(d) if the trust was created after 31 December 2011, the operation of a pipeline;

“trust”.

“trust” has the meaning assigned by Part I.

Related persons and affiliated partnerships.

For the purposes of this Part, a person is related to, or a partnership is affiliated with, a person or partnership when the person is related to, or the partnership is affiliated with, a person or partnership for the purposes of Part I.

Additional rules.

Chapter V.2 of Title II of Book I of Part I applies in relation to an election made under paragraph e or f of the definition of “excluded trust” in subsection 1 of section 211.6 of the Income Tax Act.

History: 1996, c. 39, s. 270; 2000, c. 5, s. 286; 2007, c. 12, s. 304; 2013, c. 10, s. 169.

Corresponding Federal Provision: 211.6(1), (2) and (3).

Residence of an environmental trust.

1129.51.1. For the purposes of this Part, an environmental trust is deemed to be resident in the province in which the

site in respect of which the trust is maintained is situated and in no other province.

History: 2013, c. 10, s. 170.

Corresponding Federal Provision: 250(7).

Tax payable.

1129.52. Every trust that, at the end of a taxation year, is an environmental trust resident in Québec (other than a trust that is at that time described in paragraph *p* or *q* of section 998) shall pay a tax for the year equal to the amount obtained by applying the basic rate that would be determined in its respect for the year under section 771.0.2.3.1 if the trust were a corporation other than a financial institution or an oil refining corporation, within the meaning assigned to those expressions by section 771.1, to its income determined under Part I for the year.

Computation of income.

For the purposes of the first paragraph, the income under Part I of an environmental trust shall be computed as if this Act were read without reference to sections 652, 653 to 657.4, 659 to 668.3, 669.1 to 671.4, 680, 681, 684 to 688.2, 690.0.1 and 691 to 692 and without reference to the portion of the income that may reasonably be considered to be the share of a person exempt from tax under Part I.

History: 1996, c. 39, s. 270; 2000, c. 5, s. 287; 2003, c. 9, s. 414; 2009, c. 5, s. 530; 2013, c. 10, s. 171; 2015, c. 21, s. 520; 2017, c. 1, s. 384.

Corresponding Federal Provision: 211.6(1) and (2).

Return, estimate and payment of tax.

1129.53. Every trust that, at the end of a taxation year, is an environmental trust resident in Québec shall

(a) file with the Minister, on or before its filing-due date for the year, a return under this Part for the year in prescribed form, without notice or demand therefor;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year on or before its balance-due day for the year.

History: 1996, c. 39, s. 270; 2000, c. 5, s. 288.

Corresponding Federal Provision: 211.6(3).

Provisions applicable.

1129.54. Except where inconsistent with this Part, sections 1000 to 1024 and 1031.1 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1996, c. 39, s. 270; 2013, c. 10, s. 172; 2015, c. 36, s. 163.

Corresponding Federal Provision: 211.6(5).

PART III.12.1

SPECIAL TAX RELATING TO THE CREDIT FOR RACEHORSE MAINTENANCE

Definitions:

1129.54.1. In this Part,

“eligible horse”;

“eligible horse” has the meaning assigned by section 1029.8.36.53.1;

“qualified expenditure”.

“qualified expenditure” has the meaning assigned by section 1029.8.36.53.1.

History: 2002, c. 40, s. 311; 2007, c. 12, s. 304.

Tax payable.

1129.54.2. Every taxpayer who is deemed to have paid an amount to the Minister, under section 1029.8.36.53.2, on account of the taxpayer’s tax payable under Part I for a particular taxation year, in relation to the aggregate of the qualified expenditures made by the taxpayer in the particular year in respect of an eligible horse, shall pay the tax referred to in the second paragraph for a subsequent taxation year, in this section referred to as the “repayment year”, in which an amount relating to any of the qualified expenditures is, directly or indirectly, refunded or otherwise paid to the taxpayer or allocated to a payment to be made by the taxpayer.

Determination of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.2 or 1029.8.36.53.5, in relation to the aggregate of the qualified expenditures, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.2 or 1029.8.36.53.5, in relation to the aggregate of the qualified expenditures, if every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to any of the qualified expenditures, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the taxpayer is required to pay to the Minister under this section for a taxation year preceding the repayment year, in respect of the aggregate of the qualified expenditures.

History: 2002, c. 40, s. 311.

Provisions applicable.

1129.54.3. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024 and

1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2002, c. 40, s. 311.

PART III.13

SPECIAL TAX RELATING TO THE FINANCING OF A UNIVERSITY RESEARCH CONTRACT

Definitions:

1129.55. In this Part,

“eligible university entity”;

“eligible university entity” has the meaning assigned by paragraph *f* of section 1029.8.1;

“qualified expenditure”;

“qualified expenditure” has the meaning assigned by paragraph *d.1* of section 1029.8.1;

“scientific research and experimental development”;

“scientific research and experimental development” has the meaning assigned by subsections 2 to 4 of section 222;

“university foundation”;

“university foundation” has the meaning assigned by paragraph *f.1* of section 1029.8.1;

“university research contract”.

“university research contract” has the meaning assigned by paragraph *b* of section 1029.8.1.

History: 1997, c. 14, s. 268; 2000, c. 5, s. 289; 2007, c. 12, s. 304.

Tax liability.

1129.56. A university foundation that has become surety for a corporation in respect of the payment of amounts used for the financing of scientific research and experimental development provided for in a university research contract entered into between the corporation and an eligible university entity and that pays, for the first time, an amount under the suretyship shall pay, for its taxation year that includes the day that is two years following the day of that payment, tax equal to the amount determined by the formula

50% (A – B).

Interpretation.

For the purposes of the formula in the first paragraph,

(a) A is the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister, under section 1029.8.6, as partial payment of its tax payable pursuant to Part I for a taxation year in respect of the amount of a qualified expenditure paid by the corporation to an eligible university entity as part of the university research contract;

(b) B is the aggregate of all amounts each of which is an amount the corporation would be deemed to have paid to the

Minister, under the said section 1029.8.6, as partial payment of its tax payable pursuant to Part I for a taxation year if the aggregate of all amounts each of which is the amount of a qualified expenditure paid as part of the contract were reduced by the amount furnished under the suretyship.

Reduction.

However, the amount of tax determined under the first paragraph shall be reduced by the proportion of that amount that the portion of the amount that the university foundation was required to pay under the suretyship and that was repaid to it by the corporation is of the amount that the university foundation was required to pay under the suretyship.

History: 1997, c. 14, s. 268.

Return, estimate and payment.

1129.57. Where a university foundation is required to pay tax under this Part for a taxation year, it shall, within 60 days after the end of the year,

(a) send to the Minister, without notice or demand therefor, a return under this Part for the year in prescribed form;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 1997, c. 14, s. 268.

Provisions applicable.

1129.58. Except where inconsistent with this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply, with the necessary modifications, to this Part.

History: 1997, c. 14, s. 268; 1997, c. 85, s. 309.

PART III.14

SPECIAL TAX RELATING TO FLOW-THROUGH SHARES

Definition.

1129.59. In this Part, “flow-through share” has the meaning assigned by section 359.1.

History: 1998, c. 16, s. 246; 2007, c. 12, s. 276.

Tax payable.

1129.60. Every corporation that purported to renounce an amount in a calendar year under section 359.2 or 359.2.1, because of the application of section 359.8, shall pay a tax, for each month of the year, except the month of January, unless section 1129.60.1 is applicable to the corporation in respect of the amount so renounced, equal to the amount determined in its respect by the formula

$$[(A - B) / 2] \times (C / 12 + D / 10).$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is the aggregate of all amounts each of which is an amount that the corporation purported to renounce in the calendar year under section 359.2 or 359.2.1 because of the application of section 359.8 in respect of expenses incurred or to be incurred in connection with production or potential production in Québec;

(b) B is the aggregate of all expenses described in paragraph *a* of section 359.8 that are incurred by the end of the month by the corporation and in respect of the renunciation in respect of which an amount is included in the aggregate referred to in subparagraph *a*;

(c) C is the rate of interest prescribed for the purposes of subsection 3 of section 164 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the month; and

(d) D is one where the month is December, and zero in any other case.

History: 1998, c. 16, s. 246; 2009, c. 5, s. 531.

Corresponding Federal Provision: 211.91(1).

Tax payable.

1129.60.1. If a corporation purported to renounce an amount in a particular calendar year under section 359.2 or 359.2.1, because of the application of section 359.8, in respect of expenses it has incurred in the subsequent calendar year, and if those expenses are deemed under section 359.8.1 to have been incurred on the last day of the calendar year preceding the particular calendar year, the following rules apply:

(a) the corporation shall pay a tax, for each month of the particular calendar year, except the month of January, equal to the amount determined by the formula

$$[(A - B) / 2] \times (C / 12); \text{ and}$$

(b) the corporation shall pay a tax, for each month of the subsequent calendar year, equal to the amount determined by the formula

$$[(A - B) / 2] \times (C / 12 + D / 10).$$

Interpretation.

In the formulas in the first paragraph,

(a) A is the aggregate of all amounts each of which is an amount that the corporation purported to renounce in the particular calendar year under section 359.2 or 359.2.1, because of the application of section 359.8, in respect of

expenses incurred or to be incurred in connection with production or potential production in Québec;

(b) B is the aggregate of all the expenses that are incurred by the corporation at or before the end of the month in the particular calendar year or in the subsequent calendar year and that relate to a renunciation in respect of which an amount is included in the aggregate referred to in subparagraph *a*;

(c) C is the rate of interest prescribed for the purposes of subsection 3 of section 164 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the month; and

(d) D is 1 if the month for which a tax is determined under this Part for the subsequent taxation year is the month of December of that year, and zero in any other case.

History: 2009, c. 5, s. 532.

Payment of tax.

1129.61. Where a corporation is required to pay tax under this Part in respect of one month in a calendar year, it shall, before 1 March of the following calendar year,

(a) file with the Minister, without notice or demand therefor, a return for the year under this Part in prescribed form;

(b) estimate, in the return, the amount of tax payable under this Part by it in respect of each month in the year; and

(c) pay to the Minister the amount of tax payable under this Part by it in respect of each month in the year.

History: 1998, c. 16, s. 246.

Corresponding Federal Provision: 211.91(2).

Provisions applicable.

1129.62. Except where inconsistent with this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 1998, c. 16, s. 246.

Corresponding Federal Provision: 211.91(3).

PART III.15 SPECIAL TAX IN RESPECT OF REGISTERED EDUCATION SAVINGS PLANS

Definitions:

1129.63. In this Part,

“*accumulated income payment*”;

“accumulated income payment” has the meaning assigned by section 890.15;

“public primary caregiver”;

“public primary caregiver” has the meaning assigned by section 890.15;

“registered education savings plan”;

“registered education savings plan” means a plan that is a registered education savings plan for the purposes of Part I;

“subscriber”.

“subscriber” has the meaning that would be assigned by sections 890.15 and 890.17, if the definition of that expression in section 890.15 were read without reference to subparagraph iii of paragraph *b* thereof.

History: 2000, c. 5, s. 290; 2007, c. 12, s. 304; 2010, c. 25, s. 217; 2015, c. 21, s. 521.

Corresponding Federal Provision: 146.1(1) and 204.94(1).

Tax liability.

1129.64. Every person (other than a public primary caregiver that is exempt from tax under Part I) shall pay a tax under this Part, for a taxation year, equal to the amount determined by the formula

$$0.08 (A + B - C).$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is the aggregate of all amounts each of which is an accumulated income payment made at any time that is required to be included in computing the person’s income under Part I for the year and that is

i. under a registered education savings plan under which the person is a subscriber at that time, or

ii. under a registered education savings plan under which there is no subscriber at that time, where the person has been a spouse of an individual who was a subscriber under the plan;

(b) B is the aggregate of all amounts each of which is an accumulated income payment that is required to be included in computing the person’s income under Part I for the year but is not included in the value of A in respect of the person for the year; and

(c) C is the lesser of

i. the lesser of the value determined under subparagraph *a* in respect of the person for the year and the aggregate of all amounts each of which is an amount deducted by the person under paragraph *b* of section 339, where that paragraph refers to sections 922 and 923, in computing the person’s income under Part I for the year, and

ii. the amount by which \$50,000 exceeds the aggregate of all amounts each of which is an amount determined under

subparagraph *i* in respect of the person for a preceding taxation year.

History: 2000, c. 5, s. 290; 2001, c. 53, s. 255; 2015, c. 21, s. 522.

Corresponding Federal Provision: 204.94(2).

Return, estimate and payment of tax.

1129.65. Every person who is liable to pay tax under this Part for a taxation year shall, on or before the person’s filing-due date for the year,

(a) file with the Minister a return for the year under this Part in prescribed form and containing prescribed information, without notice or demand therefor;

(b) estimate in the return the amount of tax payable under this Part by the person for the year; and

(c) pay to the Minister the amount of tax payable under this Part by the person for the year.

History: 2000, c. 5, s. 290.

Corresponding Federal Provision: 204.94(3).

Provisions applicable.

1129.66. Except where inconsistent with this Part, sections 1001 to 1014, 1025 to 1026.2 and 1031.1 to 1079.16 apply to this Part, with the necessary modifications.

History: 2000, c. 5, s. 290; 2015, c. 36, s. 164.

Corresponding Federal Provision: 204.94(4).

PART III.15.1

SPECIAL TAXES RELATING TO THE CREDIT TO PROMOTE EDUCATION SAVINGS

Definitions:

1129.66.1. In this Part,

“balance-due day”;

“balance-due day” has the meaning assigned by section 1;

“beneficiary”;

“beneficiary” has the meaning assigned by section 890.15;

“brother”;

“brother” has the meaning assigned by the first paragraph of section 1029.8.126;

“CLB account”;

“CLB account” has the meaning assigned by the first paragraph of section 1029.8.126;

“education savings incentive”;

“education savings incentive” has the meaning assigned by the first paragraph of section 1029.8.128;

“education savings incentive account”;

“education savings incentive account” has the meaning assigned by the first paragraph of section 1029.8.126;

“educational assistance payment”;

“educational assistance payment” has the meaning assigned by section 890.15;

“grant account”;

“grant account” has the meaning assigned by the first paragraph of section 1029.8.126;

“increase amount”;

“increase amount” has the meaning assigned by the first paragraph of section 1029.8.126;

“registered education savings plan”;

“registered education savings plan” has the meaning assigned by section 1;

“sister”;

“sister” has the meaning assigned by the first paragraph of section 1029.8.126;

“trust”.

“trust” has the meaning assigned by section 890.15.

History: 2009, c. 5, s. 533.

Tax payable by trust if contributions are withdrawn early.

1129.66.2. If a contribution in respect of which an amount on account of an education savings incentive was received under section 1029.8.128 by a particular trust governed by a registered education savings plan, is withdrawn from the plan, otherwise than in connection with an eligible withdrawal or a transfer to another trust governed by another registered education savings plan, and no beneficiary under the plan is eligible to receive an educational assistance payment, the particular trust shall pay, for the taxation year in which the contribution is withdrawn, tax equal to the lesser of

(a) the balance of the plan’s education savings incentive account immediately before the end of the year; and

(b) the amount determined by the formula

$$A / B \times C.$$

Interpretation.

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

(a) A is the balance of the plan’s education savings incentive account immediately before the end of the year;

(b) B is the aggregate of the contributions made to the plan immediately before the end of the year in respect of which an education savings incentive was received by the particular trust, except such a contribution that was withdrawn from the plan in a preceding taxation year; and

(c) C is the amount of the contribution withdrawn from the plan.

Eligible withdrawal.

For the purposes of the first paragraph, “eligible withdrawal” means a withdrawal that is all or part of an excess amount of contributions to the registered education savings plan if the withdrawal is intended to reduce the amount of tax payable under Part X.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

History: 2009, c. 5, s. 533.

Tax payable by beneficiary if cumulative ceiling is exceeded.

1129.66.3. If, in a taxation year, the aggregate of all amounts each of which is the portion, determined in accordance with section 1029.8.142, of an educational assistance payment received by a beneficiary that is attributable to the education savings incentive, exceeds \$3,600, the beneficiary shall pay for the year tax equal to the excess amount.

History: 2009, c. 5, s. 533.

Tax payable by trust if certain events occur.

1129.66.4. If any of the events mentioned in the second paragraph occurs in a taxation year, a trust governed by a registered education savings plan shall pay, for that year, tax equal to the lesser of

(a) the balance of the plan’s education savings incentive account immediately before the event occurs; and

(b) the amount by which the fair market value of the properties held by the trust, immediately before the event occurs, exceeds the aggregate of the balances of the plan’s grant account and CLB accounts immediately before the event occurs.

Events.

The events to which the first paragraph refers are the following:

(a) the cessation of the plan’s existence;

(b) the revocation of the plan’s registration;

(c) the payment of an amount referred to in paragraph *b* or *d* of the definition of “trust” in section 890.15;

(d) the making of an educational assistance payment to an individual who is not a beneficiary under the plan;

(e) the replacement of a beneficiary under the plan by another beneficiary, except for a recognized replacement described in the second paragraph of section 1029.8.135; and

(f) the transfer of properties held by the trust governed by the plan to another trust governed by another registered

education savings plan, except for an authorized transfer described in the second paragraph of section 1029.8.136.

History: 2009, c. 5, s. 533.

Tax payable by trust in relation to beneficiary not authorized to benefit from plan.

1129.66.5. If a trust governed by a registered education savings plan received an amount deemed under section 1029.8.128 to be an overpayment of its tax payable on account of an increase amount and if, in a calendar year, an individual who is neither the brother nor the sister of the other beneficiaries under the plan becomes a beneficiary under the plan, the trust shall pay, for that year, tax equal to the lesser of

(a) the balance of the plan's education savings incentive account immediately before the time the individual becomes a beneficiary; and

(b) the amount by which the fair market value of the properties held by the trust, immediately before the time the individual becomes a beneficiary, exceeds the aggregate of the balances of the plan's grant account and CLB accounts immediately before that time.

History: 2009, c. 5, s. 533.

Return filed by trust.

1129.66.6. A trust that is required to pay tax under this Part for a taxation year shall, on or before the trust's filing-due date for the year,

(a) file with the Minister, without notice or demand, a return under this Part in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of its tax payable under this Part for the year; and

(c) pay to the Minister the amount of its tax payable under this Part for the year.

History: 2009, c. 5, s. 533.

Payment of tax by beneficiary.

1129.66.7. A beneficiary shall pay to the Minister for a taxation year, on or before the beneficiary's balance-due day for the year, the beneficiary's tax payable under this Part for the year.

History: 2009, c. 5, s. 533.

Provisions applicable.

1129.66.8. Unless otherwise provided in this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2009, c. 5, s. 533.

PART III.15.2

SPECIAL TAX ON EXCESS PROFIT SHARING PLAN AMOUNTS

Definitions:

1129.66.9. In this Part,

“balance-due day”;

“balance-due day” has the meaning assigned by section 1;

“employer”;

“employer” has the meaning assigned by section 1;

“excess profit sharing plan amount”;

“excess profit sharing plan amount”, of a specified employee for a taxation year in respect of an employer, means the amount determined by the formula

$$A - (20\% \times B);$$

“profit sharing plan”;

“profit sharing plan” has the meaning assigned by section 1;

“specified employee”;

“specified employee” has the meaning assigned by section 1;

“trust”.

“trust” has the meaning assigned by section 1.

Excess profit sharing plan amount — formula elements.

In the formula in the definition of “excess profit sharing plan amount” in the first paragraph,

(a) A is the portion of the aggregate of all amounts each of which is an amount paid by the employer of the specified employee (or by a corporation with which the employer does not deal at arm's length) to a trust governed by a profit sharing plan that is allocated for the year to the specified employee; and

(b) B is the specified employee's income for the year from an office or employment with the employer computed under Chapters I and II of Title II of Book III of Part I, except Divisions V and VI of that Chapter II.

History: 2015, c. 21, s. 523.

Corresponding Federal Provision: 207.8(1).

Amount of tax payable.

1129.66.10. If a specified employee has an excess profit sharing plan amount for a taxation year, the specified employee shall pay a tax for the year equal to the amount determined by the formula

$$A \times B.$$

Interpretation.

In the formula in the first paragraph,

(a) A is the rate specified in paragraph *d* of section 750; and

(b) B is the aggregate of all excess profit sharing plan amounts of the specified employee for the year.

History: 2015, c. 21, s. 523.

Corresponding Federal Provision: 207.8(2).

Waiver or cancellation.

1129.66.11. If a specified employee would otherwise be required to pay tax under section 1129.66.10, the Minister may waive or cancel all or part of the tax if the Minister considers it just and equitable to do so having regard to all the circumstances.

History: 2015, c. 21, s. 523.

Corresponding Federal Provision: 207.8(3).

Return and payment of tax.

1129.66.12. Every person who is required to pay tax under this Part for a taxation year shall

(a) on or before the person's filing-due date for the year, file with the Minister a return for the year under this Part in the prescribed form containing prescribed information; and

(b) on or before the person's balance-due day for the year, pay to the Minister the amount of tax payable under this Part by the person for the year.

History: 2015, c. 21, s. 523.

Corresponding Federal Provision: 207.8(4).

Provisions applicable to this Part.

1129.66.13. Unless otherwise provided in this Part, sections 1001 to 1014, 1025 to 1026.2, 1031 to 1034.0.2, 1035 to 1044.0.2 and 1045 to 1079.16 apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 523.

Corresponding Federal Provision: 207.8(5).

PART III.16

SPECIAL TAX RELATING TO AN INCOME-AVERAGING ANNUITY PAYMENT RESPECTING INCOME FROM ARTISTIC ACTIVITIES

Definitions:

1129.67. In this Part,

“income-averaging annuity payment respecting income from artistic activities”;

“income-averaging annuity payment respecting income from artistic activities” means an amount paid as an annuity payment under an income-averaging annuity contract respecting income from artistic activities, or an amount referred to in paragraph *d.1* of section 312;

“income-averaging annuity respecting income from artistic activities”.

“income-averaging annuity respecting income from artistic activities” has the meaning assigned by section 1.

History: 2005, c. 23, s. 254; 2007, c. 12, s. 304; 2009, c. 15, s. 423; 2010, c. 25, s. 218.

Tax liability.

1129.68. An individual who receives, in a taxation year, an income-averaging annuity payment respecting income from artistic activities is required to pay a tax under this Part for the year equal to 25.75% of the income-averaging annuity payment respecting income from artistic activities.

Obligation to deduct or withhold.

Every person who makes, in a taxation year, an income-averaging annuity payment respecting income from artistic activities to an individual must deduct or withhold, from the income-averaging annuity payment respecting income from artistic activities, the amount of tax referred to in the first paragraph that the individual is liable to pay for the year in respect of that payment, and pay to the Minister the amount so deducted or withheld, as tax on behalf of the individual, within 30 days after the date of payment of the income-averaging annuity payment respecting income from artistic activities.

Tax payable.

Every person who makes an income-averaging annuity payment respecting income from artistic activities to an individual must pay, as tax on behalf of the individual, any amount the person did not deduct or withhold under the second paragraph and is authorized to recover from that individual the amount so paid.

History: 2005, c. 23, s. 254; 2015, c. 21, s. 524.

Provisions applicable.

1129.69. Except where inconsistent with this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply, with the necessary modifications, to this Part.

History: 2005, c. 23, s. 254.

PART III.16.1

SPECIAL TAX RELATING TO THE CREDIT FOR CULTURAL PATRONAGE

Meaning of “registered pledge”.

1129.69.1. In this Part, “registered pledge” has the meaning assigned by the first paragraph of section 752.0.10.1.

History: 2015, c. 21, s. 525.

Tax liability.

1129.69.2. An individual who has deducted an amount in computing tax payable for a particular taxation year under section 752.0.10.6.2, in relation to a registered pledge, is required to pay tax, the amount of which is determined under the second paragraph, for the year (in this section referred to as the “year of the default”) in which the registered pledge is, because of subparagraph i of paragraph *b* of section 752.0.10.15.5, deemed never to have been registered.

Amount of tax payable.

The amount to which the first paragraph refers in respect of the particular year is equal to the aggregate of

(a) the amount (in subparagraph *b* referred to as the “excess tax credit amount”) which corresponds,

i. where the particular year precedes the taxation year 2017, to the amount obtained by multiplying by 6% the aggregate of all amounts each of which is the eligible amount of a gift that was taken into account in determining the amount that the individual deducted under section 752.0.10.6.2 for the particular year, in relation to the pledge, and

ii. where the particular year is subsequent to the taxation year 2016, to the amount determined by the formula

$(A \times B) + (C \times D)$; and

(b) the amount of interest computed on the excess tax credit amount at the rate set under section 28 of the Tax Administration Act (chapter A-6.002) for the period beginning on 1 May of the year following the particular year and ending before the beginning of the year of the default.

Formula elements.

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

(a) *A* is a rate of 4.25%;

(b) *B* is the lesser of

i. the aggregate of all amounts each of which is the eligible amount of a gift that was taken into account in determining the amount that the individual deducted under section 752.0.10.6.2 for the particular year, in relation to the pledge, and

ii. the amount by which the individual’s taxable income determined under Part I for the particular year exceeds the amount in dollars referred to in paragraph *d* of section 750 which, with reference to section 750.2, is applicable for the particular year;

(c) *C* is a rate of 6%; and

(d) *D* is the amount by which the aggregate referred to in subparagraph i of subparagraph *b* exceeds the amount determined under subparagraph ii of that subparagraph *b* in respect of the individual for the particular year.

Exception.

The first paragraph does not apply in respect of a particular taxation year for which the Minister may redetermine the tax, interest and penalties under Part I in accordance with subsection 2 of section 1010.

History: 2015, c. 21, s. 525; 2019, c. 14, s. 453.

Return, estimate and payment of tax.

1129.69.3. An individual who is required to pay tax under this Part for a taxation year shall, on or before the individual’s filing-due date for the year,

(a) file with the Minister, without notice or demand, a return under this Part in the prescribed form containing prescribed information;

(b) estimate, in the return, the amount of the individual’s tax payable under this Part for the year; and

(c) pay to the Minister the amount of the individual’s tax payable under this Part for the year.

History: 2015, c. 21, s. 525.

Provisions applicable to this Part.

1129.69.4. Unless otherwise provided in this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.

History: 2015, c. 21, s. 525.

PART III.17 TAX RELATING TO SIFT ENTITIES

Definitions:

1129.70. In this Part, unless the context indicates otherwise,

“Canadian real, immovable or resource property”;

“Canadian immovable or resource property” means

(a) a property that would, but for the definition of “immovable property”, be an immovable property situated in Canada;

(b) a Canadian resource property;

(c) a timber resource property;

(d) a share of the capital stock of a corporation, a capital or income interest in a trust or an interest in a partnership, if more than 50% of the fair market value of the share or interest is derived directly or indirectly from one or any

combination of properties described in any of paragraphs *a* to *c*, other than

- i. a share of a taxable Canadian corporation,
 - ii. a capital or income interest in a SIFT trust or in a trust that would be a SIFT trust if the definition of “SIFT trust” had effect from 31 October 2006,
 - iii. an interest in a SIFT partnership or in a partnership that would be a SIFT partnership if the definition of “SIFT partnership” had effect from 31 October 2006, or
 - iv. a capital or income interest in a real estate investment trust; or
- (*e*) any right in or to a property described in any of paragraphs *a* to *d*;

“Canadian resident partnership”;

“Canadian resident partnership” at any time means a partnership that, at that time,

(*a*) is a Canadian partnership, within the meaning of section 1;

(*b*) would, if it were a corporation, be resident in Canada, being thus considered a partnership that has its central management and control in Canada; or

(*c*) was formed under the laws of a province;

“capital or income interest”;

“capital or income interest” in a trust has, in the case of a capital interest in a trust or an income interest in a trust, the meaning assigned to those expressions by section 683;

“determined gross revenue”;

“determined gross revenue”, of an entity for a taxation year, means the amount by which the aggregate of all amounts each of which is an amount received or receivable in the year (depending on the method regularly followed by the entity in computing the entity’s income) by the entity exceeds the aggregate of all amounts each of which is the cost to the entity of a property disposed of in the year;

“eligible resale property”;

“eligible resale property”, of an entity, means an immovable property (other than capital property) of the entity

(*a*) that is contiguous to an immovable property that is capital property or eligible resale property held by the entity or another entity affiliated with the entity; and

(*b*) the holding of which is ancillary to the holding of the immovable property described in paragraph *a*;

“entity”;

“entity” means a corporation, trust or partnership;

“equity”;

“equity”, of an entity, means

(*a*) if the entity is a corporation, a share of its capital stock;

(*b*) if the entity is a trust, a capital or income interest in the entity;

(*c*) if the entity is a partnership, an interest as a member of the entity;

(*d*) a liability of the entity (and, for purposes of the definition of “publicly-traded liability”, a security of the entity that is a liability of another entity) if

i. the liability is convertible into, or exchangeable for, equity of the entity or of another entity, or

ii. any amount paid or payable in respect of the liability is contingent on the use of or production from property, is determined on the basis of such use or production, or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares of the capital stock of a corporation, or to income or capital paid or payable to any member of a partnership or beneficiary under a trust; and

(*e*) a right to, or to acquire, anything described in this paragraph and any of paragraphs *a* to *d*;

“equity value”;

“equity value” of an entity at any time means the fair market value at that time of the aggregate of

(*a*) if the entity is a corporation, all of the issued and outstanding shares of its capital stock;

(*b*) if the entity is a trust, all of the capital or income interests in the entity; and

(*c*) if the entity is a partnership, all of the interests in the entity;

“establishment”;

“establishment” has the meaning assigned by sections 12 to 16.2;

“excluded subsidiary entity”;

“excluded subsidiary entity”, for a taxation year, means an entity none of the equity of which is at any time in the year

(*a*) listed on a stock exchange or other public market or traded on such an exchange or other market; nor

(*b*) held by any person or partnership other than

i. a real estate investment trust,

ii. a taxable Canadian corporation,

iii. a SIFT trust or a trust that would be a SIFT trust but for subsection 3 of section 534 of the Act giving effect to the Budget Speech delivered on 24 May 2007, to the 1 June 2007 Ministerial Statement Concerning the Government’s 2007–2008 Budgetary Policy and to certain other budget statements (2009, chapter 5),

iv. a SIFT partnership or a partnership that would be a SIFT partnership but for subsection 3 of section 534 of the Act giving effect to the Budget Speech delivered on 24 May 2007, to the 1 June 2007 Ministerial Statement Concerning the Government's 2007–2008 Budgetary Policy and to certain other budget statements,

iv.1. a person or partnership that does not have, in connection with the holding of a security of the entity, property the value of which is determined, all or in part, by reference to a security that is listed on a stock exchange or other public market or traded on such an exchange or other market, or

v. an excluded subsidiary entity for the year;

“immovable property”;

“immovable property” of a taxpayer includes a security held by the taxpayer that is a security of a trust that satisfies the conditions set out in paragraphs *a* to *d* of the definition of “real estate investment trust” or a security of another entity that would, if it were a trust, satisfy those conditions, or a real right in an immovable, other than a right to a rental or royalty described in paragraph *d* or *d.1* of section 370, but does not include a depreciable property, other than

(a) a property included, for the purposes of Part I, in Class 1, 3 or 31 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), otherwise than by an election permitted by regulation;

(b) a property ancillary to the ownership or utilization of a property described in paragraph *a*; or

(c) a lease in, or a leasehold interest in respect of, land or property described in paragraph *a*;

“investment”;

“investment”, in a trust or partnership, means the following property, but does not include an unaffiliated publicly-traded liability of the trust or partnership, nor regulated innovative capital:

(a) a property that is a security of the trust or partnership, or

(b) a right which may reasonably be considered to replicate a return on, or the value of, a security of the trust or partnership;

“non-portfolio earnings”;

“non-portfolio earnings” of a SIFT entity for a taxation year means the aggregate of

(a) the amount by which the aggregate of all amounts each of which is the entity's income for the year determined under Part I and derived from a business carried on by it in Canada or from a non-portfolio property (other than income that is a taxable dividend received by the entity), exceeds the aggregate of all amounts each of which is the entity's loss for the year determined under Part I and derived from a business carried on by it in Canada or from a non-portfolio property; and

(b) the amount by which the aggregate of the allowable capital losses of the entity determined under Part I and derived from dispositions of non-portfolio properties during the year is exceeded by the aggregate of

i. the taxable capital gains of the entity determined under Part I and derived from dispositions of non-portfolio properties during the year, and

ii. if the entity is a SIFT trust, one half of the aggregate of all amounts each of which is deemed under section 1106 to be a capital gain of the trust for the year in respect of its non-portfolio properties for the year;

“non-portfolio property”;

“non-portfolio property”, of a particular entity for a taxation year, means a property, held by the particular entity at any time in the year, that is

(a) a security of a subject entity (other than a portfolio investment entity), if at that time the particular entity holds

i. securities of the subject entity that have a total fair market value that is greater than the amount that is 10% of the equity value of the subject entity, or

ii. securities of the subject entity and securities of entities affiliated with the subject entity that together have a total fair market value that is greater than the amount that is 50% of the equity value of the particular entity;

(b) a Canadian immovable or resource property, if at any time in the year the total fair market value of all properties held by the particular entity that are Canadian immovable or resource properties is greater than the amount that is 50% of the equity value of the particular entity; or

(c) a property that the particular entity, or a person or partnership with whom the particular entity does not deal at arm's length, uses at that time in the course of carrying on a business in Canada;

“portfolio investment entity”;

“portfolio investment entity” at any time means an entity that does not at that time hold any non-portfolio property;

“public market”;

“public market” includes any trading system or other organized facility on which securities that are qualified for public distribution are listed or traded, but does not include a facility that is operated solely to carry out the issuance of a security or its redemption, acquisition or cancellation by its issuer;

“publicly-traded liability”;

“publicly-traded liability”, of an entity, means a liability that is a security of the entity, that is not equity of the entity and that is listed on a stock exchange or other public market or traded on such an exchange or other market;

“qualified property”;

“qualified property”, of a trust at a particular time, means a property that, at that time, is held by the trust and is

(a) an immovable property that is capital property, an eligible resale property, an indebtedness of a Canadian corporation represented by a bankers' acceptance, a property described in paragraph *a* or *b* of the definition of "qualified investment" in section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or a deposit with a savings and credit union

(b) a security of a subject entity all or substantially all of the determined gross revenue of which, for its taxation year that ends in the trust's taxation year that includes that time, is from maintaining, improving, leasing or managing immovable properties that are capital properties of the trust or of another entity of which the trust holds a share or an interest, including immovable properties that the trust, or an entity of which the trust holds a share or an interest, holds together with one or more other persons or partnerships;

(c) a security of a subject entity, if the entity holds no property other than

i. titles of ownership in immovable properties of the trust or of another subject entity all of the securities of which are held by the trust, including immovable properties that the trust or the other subject entity holds together with one or more other persons or partnerships, or

ii. property described in paragraph *d*; or

(d) ancillary to the earning by the trust of amounts described in subparagraph i or iii of paragraph *b* of the definition of "real estate investment trust", other than a property that is

i. part of an equity of an entity, or

ii. a mortgage, hypothecary claim, mezzanine loan or similar obligation;

"real estate investment trust";

"real estate investment trust" for a taxation year means a trust that is resident in Canada throughout the year, if

(a) at each time in the taxation year the fair market value at that time of all non-portfolio properties that are qualified properties held by the trust is at least equal to 90% of the fair market value at that time of all non-portfolio properties held by the trust;

(b) not less than 90% of the trust's determined gross revenue for the year is from one or any combination of the following sources:

i. rent from immovable properties,

ii. interest,

iii. dispositions of immovable properties that are capital properties,

iv. dividends,

v. royalties, and

vi. dispositions of eligible resale properties;

(c) not less than 75% of the trust's determined gross revenue for the year is from one or any combination of the following sources:

i. rent from immovable properties,

ii. interest payable on debts secured by hypothecs on immovable properties, and

iii. dispositions of immovable properties that are capital properties;

(d) at each time in the year an amount, which is equal to 75% or more of the equity value of the trust at that time, is the amount that is the fair market value of all properties held by the trust each of which is an immovable property that is capital property, an eligible resale property, an indebtedness of a Canadian corporation represented by a bankers' acceptance, a property described in paragraph *a* or *b* of the definition of "qualified investment" in section 204 of the Income Tax Act or a deposit with a savings and credit union; and

(e) investments in the trust are listed, at any time in the year, on a stock exchange or other public market or traded on such an exchange or other market;

"regulated innovative capital";

"regulated innovative capital" means equity of a trust, if

(a) since 1 November 2006, the equity has been authorized, by the Superintendent of Financial Institutions of Canada, by the Autorité des marchés financiers or by a provincial regulatory authority having powers similar to those of the Superintendent of Financial Institutions of Canada, as Tier 1 or Tier 2 capital of a financial institution (within the meaning of subsection 1 of section 181 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement));

(b) the terms and conditions of the equity have not changed after 1 August 2008;

(c) the trust has not issued any equity after 31 October 2006; and

(d) the trust does not hold any non-portfolio property other than

i. liabilities of the financial institution, and

ii. shares of the capital stock of the financial institution that were acquired by the trust for the sole purpose of satisfying a right to require the trust to accept, as demanded by a holder of the equity, the surrender of the equity;

"rent from immovable properties";

"rent from immovable properties" includes rent or similar payments for the use of, or right to use, immovable properties and the amounts paid for services ancillary to the rental of immovable properties and customarily supplied or

rendered in connection with the rental of immovable properties, but does not include

(a) amounts paid for services supplied or rendered, other than such ancillary services, to the tenants of immovable properties;

(b) fees for managing or operating immovable properties;

(c) amounts paid for the occupation of, use of, or right to use a room in a hotel or other similar lodging facility; or

(d) rent based on profits;

“security”;

“security” of a particular entity means any right, whether immediate or future and whether absolute or contingent, conferred by the particular entity or by an entity that is affiliated with the particular entity, to receive an amount that can reasonably be considered to be all or any part of the capital, of the revenue or of the income of the particular entity, or as interest paid or payable by the particular entity, and includes

(a) a liability of the particular entity;

(b) if the particular entity is a corporation,

i. a share of the capital stock of the corporation, and

ii. a right to control in any manner whatever the voting rights of a share of the capital stock of the corporation;

(c) if the particular entity is a trust, a capital or income interest in the particular entity;

(d) if the particular entity is a partnership, an interest as a member of the particular entity; and

(e) a right to, or to acquire, anything described in this paragraph and any of paragraphs *a* to *d*;

“SIFT entity”;

“SIFT entity”, being a specified investment flow-through entity, means a SIFT trust or a SIFT partnership;

“SIFT partnership”;

“SIFT partnership”, being a specified investment flow-through partnership, for a taxation year, means a partnership other than an excluded subsidiary entity for the year that meets the following conditions at any time during the year:

(a) the partnership is a Canadian resident partnership;

(b) investments in the partnership are listed on a stock exchange or other public market or traded on such an exchange or other market; and

(c) the partnership holds one or more non-portfolio properties;

“SIFT partnership balance-due day”;

“SIFT partnership balance-due day” for a taxation year means the day, determined in accordance with section 1086R80 of the Regulation respecting the Taxation Act, on or before which the partnership return provided for in

section 1086R78 of that Regulation is required to be filed for the year;

“SIFT trust”;

“SIFT trust”, being a specified investment flow-through trust, for a taxation year means a trust (other than an investment trust or an excluded subsidiary entity for the year) that meets the following conditions at any time during the year:

(a) the trust is resident in Canada;

(b) investments in the trust are listed on a stock exchange or other public market or traded on such an exchange or other market; and

(c) the trust holds one or more non-portfolio properties;

“subject entity”;

“subject entity” means a person or partnership that is

(a) a corporation resident in Canada;

(b) a trust resident in Canada;

(c) a Canadian resident partnership; or

(d) a person not resident in Canada, or a partnership that is not described in paragraph *c*, the principal source of income of which is one or any combination of sources in Canada;

“taxable distributions amount”;

“taxable distributions amount”, of a SIFT trust for a taxation year, means the lesser of

(a) the taxable income for the year of the SIFT trust, determined under Part I, or, if the SIFT trust is not subject to taxation under Part I, the amount that would be its taxable income for the year if it were determined in accordance with Part I, on the assumption that its income is equal to the amount determined in its respect in accordance with paragraph *b*; and

(b) the amount determined by the formula

$$A / (1 - (B + C));$$

“taxable non-portfolio earnings”;

“taxable non-portfolio earnings” of a SIFT partnership, for a taxation year, means the lesser of

(a) the amount that would, if the SIFT partnership were a taxpayer for the purposes of Part I and if section 600 were read without reference to its paragraph *d*, be its income for the year as determined under section 28; and

(b) its non-portfolio earnings for the year;

“taxation year”;

“taxation year” means

(a) in the case of a partnership, a fiscal period within the meaning of Part I;

(b) in the case of a trust, a calendar year; and

(c) in any other case, a taxation year within the meaning of Part I;

“unaffiliated publicly-traded liability”.

“unaffiliated publicly-traded liability”, of an entity at any time means a publicly-traded liability of the entity if, at that time the fair market value of all publicly-traded liabilities of the entity that are held at that time by persons or partnerships that are not affiliated with the entity is at least 90% of the fair market value of all publicly-traded liabilities of the entity.

Interpretation.

In the formula in the definition of “taxable distributions amount” in the first paragraph,

(a) A is the SIFT trust’s non-deductible distributions amount for the taxation year, within the meaning of section 663.4;

(b) B is the basic rate, expressed as a decimal fraction, that is determined in respect of the SIFT trust for the taxation year under the third paragraph of section 1129.71 or, if the SIFT trust has an establishment outside Québec in the year, the aggregate of the following rates:

i. that basic rate represented by the proportion that its business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as that proportion would be determined under Chapters I and II of Title XXVII of the Regulation respecting the Taxation Act if the SIFT trust were a corporation, and

ii. the provincial SIFT tax rate, within the meaning assigned by subsection 1 of section 248 of the Income Tax Act and expressed as a percentage, that would be applicable to the SIFT trust for the year if that definition applied in respect of the SIFT trust for that year and if section 414 of the Income Tax Regulations made under that Act were read without reference to its subsection 4; and

(c) C is the net corporate income tax rate, within the meaning assigned by subsection 1 of section 248 of the Income Tax Act for the taxation year.

Rule of application.

Any amount deducted by a SIFT trust, in accordance with paragraph *a* of the definition of “taxable distributions amount” in the first paragraph, in computing the amount that would have been its taxable income for a taxation year in which it is not subject to tax under Part I, is deemed to have been deducted in computing its taxable income for the year for the purposes of Part I.

History: 2009, c. 5, s. 534; 2009, c. 15, s. 424; 2010, c. 25, s. 219; 2017, c. 1, s. 385; 2019, c. 14, s. 454; 2020, c. 16, s. 185.

Corresponding Federal Provision: 122(3), 122.1(1) and 197(1).

Rules of application.

1129.70.1. The second paragraph applies to an entity for a taxation year in respect of an amount and another entity (in

this section referred to as the “parent entity”, “specified amount” and “source entity”, respectively), if

(a) at any time in the taxation year the parent entity is affiliated with the source entity or holds securities of the source entity that are described in any of paragraphs *a* to *c* of the definition of “equity” in the first paragraph of section 1129.70 and have a fair market value that is greater than the amount that is 10% of the equity value of the source entity;

(b) the specified amount is included in computing the parent entity’s determined gross revenue for the taxation year in respect of a security of the source entity held by the parent entity; and

(c) in the case of a source entity that is described in paragraph *b* of the definition of “qualified property” in the first paragraph of section 1129.70 in respect of the parent entity at each time during the taxation year at which the parent entity holds securities of the source entity, the specified amount cannot reasonably be considered to be derived from the source entity’s determined gross revenue from maintaining, improving, leasing or managing immovable properties that are capital properties of the parent entity or of an entity of which the parent entity holds a share or an interest, including immovable properties that the parent entity, or an entity of which the parent entity holds a share or an interest, holds together with one or more other persons or partnerships.

Revenue character preservation rule.

For the purposes of the definition of “real estate investment trust” in the first paragraph of section 1129.70, the specified amount, to the extent that it can reasonably be considered to be derived from the source entity’s determined gross revenue, is deemed to be included in the parent entity’s determined gross revenue and to have the same character as that of the source entity and not any other character.

History: 2017, c. 1, s. 386; 2020, c. 16, s. 186.

Corresponding Federal Provision: 122.1(1.1) and (1.2).

Character of revenue — hedging arrangements.

1129.70.2. For the purposes of the definition of “real estate investment trust” in the first paragraph of section 1129.70, the following rules apply:

(a) if an amount is included in the determined gross revenue of a trust for a taxation year and it results from an agreement that can reasonably be considered to have been made by the trust to reduce its risk from fluctuations in interest rates in respect of debt incurred by the trust to acquire or refinance immovable property, the amount is deemed to have the same character as the determined gross revenue in respect of the immovable property and not any other character; and

(b) where an immovable property is situated in a country other than Canada and either of the following amounts is

included in the determined gross revenue of a trust for a taxation year, the amount is deemed to have the same character as the determined gross revenue in respect of the immovable property and not any other character:

- i. the amount that is a gain from fluctuations in the value of the currency of that country relative to Canadian currency recognized on revenue in respect of the immovable property or debt incurred by the trust for the purpose of earning revenue in respect of the immovable property, or
- ii. the amount that results from an agreement that provides for the purchase, sale or exchange of currency, and can reasonably be considered to have been made by the trust to reduce its risk from currency fluctuations described in subparagraph i.

History: 2017, c. 1, s. 386; 2020, c. 16, s. 187.

Corresponding Federal Provision: 122.1(1.3).

Tax liability.

1129.71. A SIFT entity for a taxation year that has an establishment in Québec at any time in the year shall pay tax under this Part that is equal to the amount determined by the formula

$A \times B.$

Interpretation.

In the formula in the first paragraph,

(a) A is

- i. if the SIFT entity is a SIFT trust for the year, its taxable distributions amount for the year, or
- ii. if the SIFT entity is a SIFT partnership for the year, the taxable non-portfolio earnings of the partnership for the year; and

(b) B is the basic rate determined in respect of the entity for the year under the third paragraph.

Basic rate applicable.

For the purposes of subparagraph *b* of the second paragraph, the basic rate that must be determined in respect of a SIFT entity for a taxation year is equal to

(a) if the taxation year begins before 1 January 2009, the total of

- i. the proportion of 9.9% that the number of days in the taxation year that follow 31 December 2006 but precede 1 June 2007 is of the number of days in the taxation year,
- ii. the proportion of 11.9% if the SIFT entity would be a financial institution or an oil refining corporation, within the meaning of section 771.1, if it were a corporation, or of 9.9%

in any other case, that the number of days in the taxation year that follow 31 May 2007 but precede 1 January 2008 is of the number of days in the taxation year,

iii. the proportion of 11.9% if the SIFT entity would be a financial institution or an oil refining corporation, within the meaning of section 771.1, if it were a corporation, or of 11.4% in any other case, that the number of days in the taxation year that follow 31 December 2007 but precede 1 January 2009 is of the number of days in the taxation year, and

iv. the proportion of 11.9% that the number of days in the taxation year that follow 31 December 2008 is of the number of days in the taxation year;

(b) if the taxation year begins after 31 December 2008 and ends before 1 January 2017, 11.9%; and

(c) if the taxation year ends after 31 December 2016, the total of

i. the proportion of 11.9% that the number of days in the taxation year that precede 1 January 2017 is of the number of days in the taxation year,

ii. the proportion of 11.8% that the number of days in the taxation year that follow 31 December 2016 but precede 1 January 2018 is of the number of days in the taxation year,

iii. the proportion of 11.7% that the number of days in the taxation year that follow 31 December 2017 but precede 1 January 2019 is of the number of days in the taxation year,

iv. the proportion of 11.6% that the number of days in the taxation year that follow 31 December 2018 but precede 1 January 2020 is of the number of days in the taxation year, and

v. the proportion of 11.5% that the number of days in the taxation year that follow 31 December 2019 is of the number of days in the taxation year.

SIFT entity carrying on business outside Québec.

If a SIFT entity referred to in the first paragraph has an establishment outside Québec in the year, its tax payable under this Part for the year is equal to the portion of that tax otherwise determined that is the proportion that the business it carries on in Québec is of the entire business it carries on in Canada or in Québec and elsewhere, as it would be determined under Chapters I and II of Title XXVII of the Regulation respecting the Taxation Act (chapter I-3, r. 1), if the SIFT entity were a corporation.

Presumption.

For the purposes of this Part, a SIFT entity for a taxation year that has non-portfolio properties for the year is deemed to

carry on a business in respect of those non-portfolio properties.

History: 2009, c. 5, s. 534; 2009, c. 15, s. 425; 2017, c. 1, s. 387.

Corresponding Federal Provision: 122(1) and 197(2).

Non-application of section 603.1.

1129.72. This Part applies without reference to section 603.1.

History: 2009, c. 5, s. 534.

Corresponding Federal Provision: 197(3).

Return.

1129.73. Every member of a SIFT partnership that is liable to pay tax under this Part for a taxation year shall—on or before the day, determined in accordance with section 1086R80 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), on which the partnership return provided for in section 1086R78 of that Regulation is required to be filed for the year—file with the Minister a return for the year in the prescribed form containing an estimate of the amount of tax payable by the partnership under this Part for the year.

History: 2009, c. 5, s. 534; 2009, c. 15, s. 426.

Corresponding Federal Provision: 197(4).

Filing of return.

1129.74. For the purposes of section 1129.73, a return filed with the Minister by a particular member of a partnership who has the authority to act on its behalf, in relation to a taxation year of the partnership, is deemed to have been filed with the Minister by each member of the partnership for the year if the particular member has filed the return for the year in accordance with this Part.

Return deemed not to be filed.

In those circumstances, a return filed with the Minister by another member of the partnership for the year is deemed not to be valid and not to have been filed by a member of the partnership.

History: 2009, c. 5, s. 534; 2015, c. 21, s. 526.

Corresponding Federal Provision: 197(5).

Provisions applicable.

1129.75. Unless otherwise provided in this Part, Book I of Part I and sections 647, 1000 to 1024, 1027 and 1037 to 1079.16 apply, with the necessary modifications, to this Part and, for the purpose of applying this Part to a SIFT entity that is a SIFT partnership,

(a) the notice of assessment referred to in section 1008 in respect of tax payable under this Part is valid despite the fact that a partnership is not a person; and

(b) despite section 1010, the Minister may at any time make an assessment or reassessment of tax payable under this Part or Part I to give effect to a determination made by the Minister under section 1007.1, including an assessment or reassessment of tax payable under Part I in respect of the disposition of an interest in a SIFT partnership by a member of the partnership.

History: 2009, c. 5, s. 534; 2010, c. 25, s. 220; 2017, c. 1, s. 388 [amended by 2019, c. 14, s. 617].

Corresponding Federal Provision: 157(2) and 197(6).

Payment of balance-due.

1129.76. A SIFT partnership shall pay to the Minister its tax payable under this Part for a taxation year on or before its SIFT partnership balance-due day for the year.

History: 2009, c. 5, s. 534.

Corresponding Federal Provision: 197(7).

PART III.18

TAX ON PROPERTY INCOME OF SPECIFIED TRUSTS FROM THE RENTAL OF SPECIFIED IMMOVABLES

Definitions:

1129.77. In this Part,

“specified immovable”;

“specified immovable” means an immovable property situated in Québec that is used principally for the purpose of earning or producing gross revenue that is rent;

“specified trust”;

“specified trust” for a taxation year means an inter vivos trust that was not resident, nor is deemed under paragraph *a* of section 595 to have been resident, in Canada at any time in the year and that is not exempt from tax payable under Part I because of Book VIII of that Part;

“taxation year”.

“taxation year” means a calendar year or, if applicable, the period determined in accordance with paragraph *a.1* of section 785.1 or subparagraph *a.0.1* of the first paragraph of section 785.2.

History: 2013, c. 10, s. 173; 2015, c. 36, s. 165.

Tax liability.

1129.78. A specified trust for a taxation year that, at any time in the year, owns a specified immovable or is a member of a partnership that owns a specified immovable shall pay a tax under this Part for the year that is equal to the product obtained by multiplying 4.47% by the property income of the specified trust from the rental of specified immovables for the year.

Multiple partnerships.

For the purposes of the first paragraph, each member of a partnership, at any time, is deemed to be a member of

another partnership of which the first partnership is a member at that time.

History: 2013, c. 10, s. 173; 2015, c. 21, s. 527; 2017, c. 29, s. 217.

Property income from rental of specified immovables.

1129.79. For the purposes of section 1129.78, the property income of a specified trust from the rental of specified immovables for a taxation year means the amount by which the amount that is the trust's income for the year from the rental of a specified immovable computed under Titles III and XI of Book III of Part I, except to the extent that the income is otherwise included under subparagraph *b* of the first paragraph of section 1089 in computing the trust's income earned in Québec for the year, exceeds the amount that is the trust's loss for the year from the rental of a specified immovable computed under those Titles III and XI, except to the extent that the loss is otherwise taken into consideration under subparagraph *i* of the first paragraph of section 1089 in computing the trust's income earned in Québec for the year or could be so taken into consideration if the trust had sufficient income for that purpose.

History: 2013, c. 10, s. 173.

Rules of application.

1129.80. For the purposes of section 1129.79, in computing the property income of a specified trust from the rental of specified immovables owned by the trust for a taxation year, a trust that becomes resident in Canada at a particular time is deemed to dispose, at the time (in this section referred to as the "time of disposition") immediately preceding the end of the trust's taxation year that ends immediately before the particular time, of each specified immovable then owned by the trust for proceeds of disposition equal to its fair market value at the time of disposition.

History: 2013, c. 10, s. 173.

Provisions applicable.

1129.81. Unless otherwise provided in this Part, Book I of Part I, sections 647, 1000 to 1014, 1026 to 1026.1 and 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2013, c. 10, s. 173.

PART IV TAX ON CAPITAL

BOOK I INTERPRETATION

Definitions:

1130. In this Part and in the regulations, unless the context indicates otherwise,

"annual qualification certificate";

"annual qualification certificate" means an annual qualification certificate within the meaning assigned by the first paragraph of section 737.18.14;

"authorized foreign bank";

"authorized foreign bank" has the meaning assigned by section 1;

"bank";

"bank" means a bank within the meaning assigned by section 1;

"base period";

"base period" means a base period within the meaning assigned by section 737.18.6;

"bond";

"bond" means a negotiable debt security issued to several lenders of funds to meet a need for long-term financing;

"business";

"business" means a business within the meaning assigned to it by section 1;

"Canadian banking business";

"Canadian banking business" has the meaning assigned by section 1;

"corporation trading in securities";

"corporation trading in securities" means a corporation that is a registered securities dealer within the meaning assigned by section 1;

"deduction period";

"deduction period" of a corporation in respect of an eligible vessel means

(a) where the corporation constructs or converts the eligible vessel for the corporation, the period that begins at the beginning of the taxation year of the corporation during which it undertakes the construction work or conversion work in respect of the eligible vessel and that ends at the end of the fourth taxation year following the taxation year during which it completes the construction or conversion, as the case may be, of the eligible vessel; and

(b) where the eligible vessel is constructed or converted on behalf of the corporation, the period that begins at the beginning of the taxation year of the corporation during which the construction work or conversion work provided for in the contract for the construction or conversion, as the case may be, of the eligible vessel is undertaken in respect of the eligible vessel and that ends at the end of the fourth taxation year following the taxation year during which the corporation takes delivery, under the terms of the contract, of the eligible vessel;

"eligibility period";

"eligibility period" means an eligibility period within the meaning assigned by section 737.18.14;

"eligible acquisition costs";

"eligible acquisition costs" incurred by a corporation, for a taxation year, in respect of an eligible vessel of the

corporation means an amount that is related to a business operated in the year in Québec by the corporation and that is,

(a) where the eligible vessel is constructed on behalf of the corporation pursuant to a written contract, the taxation year is a year, other than a year referred to in paragraph *b*, during which construction work provided for in the contract was carried out in respect of the eligible vessel, and the construction work may reasonably be considered to have been carried out without undue delay since it was undertaken, the portion of the consideration provided for in the written contract for the construction of the eligible vessel that was paid by the corporation to its contracting partner in the year or a preceding taxation year and that may reasonably be attributed to the construction work carried out in respect of the vessel before the end of that year;

(a.1) where the corporation constructs the eligible vessel for the corporation, the taxation year is a year, other than a year referred to in paragraph *b*, during which construction work was carried out by the corporation in respect of the eligible vessel, and the construction work may reasonably be considered to have been carried out without undue delay since it was undertaken, the aggregate of the costs incurred by the corporation at or before the end of the year for the construction of the vessel, to the extent that they are reasonable in the circumstances and included, at the end of that year, in the capital cost of the vessel, that may reasonably be attributed to the construction work carried out in respect of the vessel before the end of that year; or

(b) where the taxation year is the year during which the corporation completes the construction of the vessel or, where the eligible vessel is constructed on behalf of the corporation, the year during which the corporation takes delivery, under the terms of the contract, of the eligible vessel, or is any of the four taxation years subsequent to that year, the cost of the vessel to the corporation as shown in its financial statements;

“eligible activities”;

“eligible activities” means eligible activities within the meaning assigned by the first paragraph of any of sections 737.18.6, 737.18.14 and 737.18.29, as the case may be;

“eligible contract”;

“eligible contract” means a written contract in respect of which a qualification certificate has been issued by the Minister of Economic Development, Innovation and Export Trade, entered into by a corporation with a person or partnership and under which the corporation entrusts the person or partnership with the carrying out of work in Québec which is related to the conversion of an eligible vessel;

“eligible conversion costs”;

“eligible conversion costs” incurred by a corporation, for a taxation year, in respect of an eligible vessel of the corporation means an amount that is related to a business operated in the year in Québec by the corporation and that is,

(a) where the eligible vessel is converted on behalf of the corporation pursuant to an eligible contract, the taxation year is a year, other than a year referred to in paragraph *c*, during which conversion work provided for in the contract was carried out in respect of the eligible vessel, and the conversion work may reasonably be considered to have been carried out without undue delay since it was undertaken, the portion of the consideration provided for in the eligible contract that was paid by the corporation to its contracting partner in the year or a preceding taxation year and that may reasonably be attributed to the conversion work carried out in respect of the vessel before the end of that year;

(b) where the corporation converts the eligible vessel for the corporation, the taxation year is a year, other than a year referred to in paragraph *c*, during which conversion work was carried out by the corporation in respect of the eligible vessel, and the conversion work may reasonably be considered to have been carried out without undue delay since it was undertaken, the aggregate of the costs incurred by the corporation at or before the end of the year for the conversion of the vessel, to the extent that they are reasonable in the circumstances and included, at the end of that year, in the capital cost of the vessel, that may reasonably be attributed to the conversion work carried out in respect of the vessel before the end of that year; or

(c) where the taxation year is the year during which the corporation completes the conversion of the vessel or, where the eligible vessel is converted on behalf of the corporation, the year during which the corporation takes delivery, under the terms of the contract, of the eligible vessel, or is any of the four taxation years subsequent to that year,

i. where the corporation converted the eligible vessel for the corporation, the aggregate of the costs incurred by the corporation for the conversion of the vessel, to the extent that they are reasonable in the circumstances, that are included in the capital cost of the vessel, or

ii. where the corporation caused the eligible vessel to be converted on behalf of the corporation under the terms of an eligible contract, the portion of the total consideration paid by the corporation to its contracting partner pursuant to the contract that may reasonably be attributed to the conversion work carried out in respect of the eligible vessel;

“eligible vessel”;

“eligible vessel” of a corporation means a vessel that is constructed or converted by the corporation for the corporation or that the corporation causes to be constructed or converted on behalf of the corporation, and in respect of which a qualification certificate is issued by the Minister of Economic Development, Innovation and Export Trade for the purposes of this Part;

“establishment”;

“establishment” means an establishment within the meaning assigned to it by section 1;

“exemption period”;

“exemption period” means an exemption period within the meaning assigned by the first paragraph of section 737.18.29;

“farming”;

“farming” means farming within the meaning assigned by section 1;

“farming corporation”;

“farming corporation” means a corporation whose activities consist mainly in carrying on the business of farming;

“filing-due date”;

“filing-due date” means a filing-due date within the meaning assigned by section 1;

“financial statements”;

“financial statements” means either the financial statements submitted to the shareholders of a corporation or to the members of a partnership or joint venture, as the case may be, and prepared in accordance with generally accepted accounting principles or, if the financial statements are consolidated financial statements, the non-consolidated financial statements prepared in accordance with the same generally accepted accounting principles as those that apply in preparing the consolidated financial statements or,

(a) if such financial statements have not been prepared, such financial statements had they been prepared in accordance with generally accepted accounting principles or, in the case where the financial statements that should have been prepared are consolidated financial statements, such non-consolidated financial statements had they been prepared in accordance with the same generally accepted accounting principles as those that would have applied in preparing consolidated financial statements; or

(b) if such financial statements have not been prepared in accordance with generally accepted accounting principles, such financial statements had they been prepared in accordance with generally accepted accounting principles or, in the case where the financial statements that were not prepared in accordance with generally accepted accounting principles are consolidated financial statements, such non-consolidated financial statements prepared in accordance with the same generally accepted accounting principles as those that should have applied in preparing the consolidated financial statements;

“fiscal period”;

“fiscal period” means a fiscal period within the meaning assigned by Part I;

“fishing”;

“fishing” means fishing within the meaning assigned by section 1;

“government assistance”;

“government assistance” means assistance from a government, municipality or other public authority, whether as a grant, subsidy, forgivable loan, deduction from tax, investment allowance or as any other form of assistance;

“gross revenue”;

“gross revenue” means the gross revenue within the meaning assigned to it by section 1;

“international financial centre”;

“international financial centre” means an international financial centre within the meaning assigned by section 1;

“loan corporation”;

“loan corporation” means

(a) a corporation, other than a trust corporation, authorized by the legislation of Canada or of a province to accept deposits from the public;

(b) a corporation all or substantially all of the assets of which are shares or debts of corporations referred to in Title II of Book III to which it is related; or

(c) a corporation recognized by the Minister under section 1143.1 and whose recognition is in effect;

“long-term debt”;

“long-term debt” means

(a) in the case of a bank, its subordinated indebtedness, within the meaning assigned by section 2 of the Bank Act (Statutes of Canada, 1991, chapter 46), evidenced by obligations issued for a term of not less than five years;

(b) in the case of a trust corporation, a loan corporation or a corporation trading in securities, its subordinated indebtedness, within the meaning that would be assigned by section 2 of the Bank Act if the definition of that expression in that section were applied with the necessary modifications, evidenced by obligations issued for a term of not less than 5 years; and

(c) in the case of a savings and credit union, its subordinated indebtedness, within the meaning that would be assigned by section 2 of the Cooperative Credit Associations Act (Statutes of Canada, 1991, chapter 48) if the definition of that expression were applied with the necessary modifications, issued for a term of not less than five years;

“major investment project”;

“major investment project” means a major investment project within the meaning assigned by the first paragraph of section 737.18.14;

“manufacturing corporation”;

“manufacturing corporation” for a taxation year means a corporation in respect of which the proportion of the manufacturing or processing activities for the year is at least 20%;

“mineral resource”;

“mineral resource” means a mineral resource within the meaning of section 1, but does not include a bituminous sands deposit, an oil sands deposit or an oil shale deposit;

“non-government assistance”;

“non-government assistance” means an amount that would be included in computing the individual’s income by reason

of paragraph *w* of section 87, if that paragraph were read without reference to subparagraphs *ii* and *iii* thereof;

“OSFI risk-weighting guidelines”;

“OSFI risk-weighting guidelines” means the guidelines, issued by the Superintendent of Financial Institutions of Canada under the authority of section 600 of the Bank Act, requiring an authorized foreign bank to provide to the Superintendent on a periodic basis a return of the bank’s risk-weighted on-balance sheet assets and off-balance sheet exposures, that apply as of 8 August 2000;

“person”;

“person” means a person within the meaning assigned by section 1;

“proportion of the manufacturing or processing activities”;

“proportion of the manufacturing or processing activities” of a corporation for a taxation year means

(a) the proportion, expressed as a percentage, that the amount determined in respect of the corporation for the year under paragraph *a* of section 5200 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is of the amount determined in respect of the corporation for the year under paragraph *b* of section 5200 of those regulations; or

(b) 100%, if section 5201 of the Income Tax Regulations made under the Income Tax Act applies in respect of the corporation for the year;

“province”;

“province” means a province within the meaning assigned by section 1;

“qualified corporation”;

“qualified corporation” for a taxation year means a corporation, other than a prescribed corporation for the purposes of subparagraph *a* of the first paragraph of section 1143, that

(a) in the taxation year, carries on a recognized business all or any part of whose activities are eligible activities carried on in the base period applicable to the corporation in respect of those eligible activities, or is a member of a partnership that, in a fiscal period of the partnership ending in the taxation year, carries on a recognized business all or any part of whose activities are eligible activities carried on in the base period applicable to the partnership in respect of those eligible activities; and

(b) encloses with its fiscal return it is required to file for the taxation year under section 1000 a copy of the certificate issued in respect of each recognized business carried on by it or carried on by a partnership of which it is a member;

“recognized business”;

“recognized business” means a recognized business within the meaning assigned by the first paragraph of any of sections 737.18.14, 737.18.29 and 1029.8.36.0.38 or section 1029.8.36.0.38.1, as the case may be;

“regulation”;

“regulation” means a regulation made by the Government under this Part;

“savings and credit union”;

“savings and credit union” means a savings and credit union within the meaning assigned by section 797;

“specified shareholder”;

“specified shareholder” means a specified shareholder within the meaning of section 1;

“surplus”;

“surplus” means the surpluses of a corporation and includes any amount by which any property has been valued in excess of its cost;

“taxation year”;

“taxation year” means a taxation year within the meaning assigned by Part I;

“trust corporation”.

“trust corporation” means a corporation authorized by the legislation of Canada or of a province to provide trustee services.

History: 1972, c. 23, s. 843; 1972, c. 26, s. 78; 1973, c. 17, s. 133; 1974, c. 18, s. 43; 1979, c. 38, s. 27; 1986, c. 15, s. 198; 1987, c. 21, s. 87; 1991, c. 7, s. 14; 1993, c. 16, s. 355; 1995, c. 1, s. 192; 1995, c. 63, s. 237; 1996, c. 39, s. 271; 1997, c. 3, s. 66; 1997, c. 14, s. 269; 1997, c. 31, s. 136; 1997, c. 85, s. 310; 1999, c. 8, s. 20; 1999, c. 83, s. 255; 2000, c. 39, s. 244; 2001, c. 51, s. 221; 2001, c. 51, s. 228; 2001, c. 53, s. 260; 2002, c. 9, s. 129; 2003, c. 9, s. 416; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 8, s. 205; 2004, c. 21, s. 488; 2005, c. 1, s. 283; 2006, c. 8, s. 31; 2007, c. 12, s. 304; 2009, c. 5, s. 535; 2009, c. 15, s. 427.

Corresponding Federal Provision: 248(1) “OSFI risk-weighting guidelines”.

Associated corporations.

1130.1. For the purposes of this Part, a corporation is associated with another corporation where it is associated, within the meaning of sections 21.20 to 21.25 and 781.1, with the other corporation.

History: 2003, c. 9, s. 417.

Replacement or revocation of a document.

1130.2. In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time

the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Document deemed replaced.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Amendment for part of a period.

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.

History: 2012, c. 8, s. 245.

**BOOK II
LIABILITY FOR AND AMOUNT OF THE TAX**

Tax liability.

1131. Any corporation having an establishment in Québec at any time in a taxation year shall pay, in respect of that year, a tax on its paid-up capital shown in its financial statements for the year or, in the case of an authorized foreign bank, on its paid-up capital for the year.

History: 1972, c. 23, s. 844; 1973, c. 17, s. 134; 1979, c. 38, s. 27; 1995, c. 1, s. 193; 1995, c. 63, s. 238; 1997, c. 3, s. 71; 2004, c. 8, s. 206.

Tax payable.

1132. The tax payable by a corporation in respect of each taxation year is equal,

(a) in the case of a bank, a savings and credit union, a loan corporation, a trust corporation or a corporation trading in securities, to the amount obtained by applying the rate determined in its respect for the year under section 1132.4 to its paid-up capital;

(b) *(paragraph repealed)*;

(c) in the case of any other corporation, except a corporation that is an insurer within the meaning assigned by the Insurers Act (chapter A-32.1), a cooperative, or a mining corporation that has not reached the production stage, to the amount

obtained by applying the rate determined in its respect for the year under section 1132.5 to its paid-up capital.

History: 1972, c. 23, s. 845; 1972, c. 26, s. 79; 1979, c. 38, s. 27; 1980, c. 13, s. 108; 1981, c. 12, s. 14; 1982, c. 26, s. 303; 1982, c. 56, s. 26; 1983, c. 20, s. 6; 1983, c. 44, s. 45; 1992, c. 1, s. 205; 1993, c. 64, s. 192; 1995, c. 63, s. 239; 1997, c. 3, s. 71; 1997, c. 14, s. 270; 1999, c. 83, s. 256; 2000, c. 39, s. 245; 2003, c. 9, s. 418; 2005, c. 38, s. 312; 2018, c. 23, s. 811(2).

1132.1. (Repealed).

History: 1987, c. 21, s. 88; 1990, c. 7, s. 208; 1997, c. 3, s. 71; 2000, c. 39, s. 246.

1132.2. (Repealed).

History: 1990, c. 7, s. 209; 1991, c. 8, s. 95; 1997, c. 3, s. 71; 2000, c. 39, s. 246.

1132.3. (Repealed).

History: 1991, c. 8, s. 96; 1992, c. 1, s. 206; 1997, c. 3, s. 71; 2000, c. 39, s. 246.

Rates applicable.

1132.4. The rate referred to in paragraph *a* of section 1132 in respect of a corporation for a taxation year that begins before 1 January 2011 is equal to

(a) if the taxation year begins and ends in the same calendar year, the base percentage for that calendar year; and

(b) if subparagraph *a* does not apply, the total of the percentages each of which is the proportion of the base percentage for a calendar year that the number of days in the taxation year that are included in that calendar year is of the number of days in the taxation year.

Base percentages.

For the purposes of the first paragraph, the base percentage for a calendar year is equal to

(a) 1.2%, for the calendar year 2005;

(b) 1.05%, for the calendar year 2006;

(c) 0.98%, for the calendar year 2007;

(d) 0.72%, for the calendar year 2008;

(e) 0.48%, for the calendar year 2009; and

(f) 0.24%, for the calendar year 2010.

History: 2005, c. 38, s. 313; 2009, c. 5, s. 536.

Rates applicable.

1132.5. The rate referred to in paragraph *c* of section 1132 in respect of a corporation for a taxation year that begins before 1 January 2011 is equal to

(a) if the taxation year begins and ends in the same calendar year, the base percentage for that calendar year; and

(b) if subparagraph *a* does not apply, the total of the percentages each of which is the proportion of the base percentage for a calendar year that the number of days in the taxation year that are included in that calendar year is of the number of days in the taxation year.

Base percentages.

For the purposes of the first paragraph, the base percentage for a calendar year is equal to

(a) 0.6%, for the calendar year 2005;

(b) 0.525%, for the calendar year 2006;

(c) 0.49%, for the calendar year 2007;

(d) 0.36%, for the calendar year 2008;

(e) 0.24%, for the calendar year 2009; and

(f) 0.12%, for the calendar year 2010.

History: 2005, c. 38, s. 313; 2009, c. 5, s. 537.

Corporation having an establishment outside Québec.

1133. Where a corporation contemplated in section 1131 has an establishment situated outside Québec, the tax payable by that corporation is equal to that part of the tax established pursuant to section 1132 represented by the ratio between the business carried on by it in Québec and the aggregate of the business carried on by it in Canada or in Québec and elsewhere, as determined by regulation.

History: 1972, c. 23, s. 846; 1979, c. 38, s. 27; 1987, c. 21, s. 89; 1992, c. 1, s. 207; 1995, c. 1, s. 199; 1997, c. 3, s. 71.

Taxation year of less than 359 days.

1134. Where the taxation year of a corporation covers a period of less than three hundred and fifty-nine days, that corporation must pay the tax otherwise established in the proportion that the number of days in its taxation year is to three hundred and sixty-five.

History: 1972, c. 23, s. 847; 1973, c. 18, s. 33; 1979, c. 38, s. 27; 1997, c. 3, s. 71.

Minimum amount of the tax.

1135. In no case may the tax payable by a corporation, other than a corporation referred to in subparagraph *d*, that is

a farming corporation or a corporation whose activities consist mainly in carrying on a fishing business be less than \$125, or the tax payable by another corporation that is not one of the following corporations be less than \$250:

(a) (subparagraph repealed);

(b) (subparagraph repealed);

(c) a corporation referred to in section 61 of the Act respecting international financial centres (chapter C-8.3);

(d) a corporation whose activities in the taxation year, and those of any partnership of which the corporation is a member, in the fiscal period of that partnership that ends in the taxation year, consist solely in carrying on eligible activities of a recognized business carried on by the corporation in the taxation year or by the partnership in the fiscal period, during any of the following periods:

i. the eligibility period of the corporation or partnership, as the case may be, in respect of a major investment project relating to the recognized business,

ii. the base period applicable to the corporation or partnership, as the case may be, in respect of those eligible activities, or

iii. the exemption period applicable to the corporation in respect of those eligible activities; and

(e) a tax-exempt corporation under sections 1143 and 1144.

Exception.

However, the first paragraph applies to a corporation only if the corporation is referred to in paragraph *a* of section 1132 or prescribed for the purposes of subparagraph *a* of the first paragraph of section 1143 and if its taxation year begins before 1 January 2011.

History: 1972, c. 23, s. 848; 1972, c. 26, s. 80; 1973, c. 17, s. 135; 1979, c. 38, s. 27; 1986, c. 15, s. 199; 1987, c. 21, s. 90; 1990, c. 7, s. 210; 1991, c. 8, s. 97; 1992, c. 1, s. 208; 1993, c. 64, s. 193; 1995, c. 63, s. 240; 1997, c. 3, s. 71; 1997, c. 14, s. 271; 1999, c. 86, s. 90; 2000, c. 39, s. 247; 2002, c. 9, s. 130; 2003, c. 9, s. 419; 2009, c. 5, s. 538.

Credit relating to qualified investment.

1135.1. If a corporation to which Title I of Book III applies is the owner at the end of a particular taxation year of a property described in any of sections 1135.3 to 1135.3.1 that the corporation acquired in that year, or is a member of a partnership at the end of a particular fiscal period of the partnership that ends in the corporation's particular taxation year and at that time the partnership is the owner of a property described in any of sections 1135.3 to 1135.3.1 that the partnership acquired in that particular fiscal period, the corporation may deduct from its tax otherwise payable under

this Part for the particular taxation year a particular amount equal to the aggregate of

(a) 5% of the aggregate of

i. the aggregate of all amounts each of which is the amount by which the aggregate of the costs incurred by the corporation in the particular taxation year to acquire such property described in section 1135.3, except an amount incurred with a person with whom the corporation or a specified shareholder of the corporation does not deal at arm's length, that are related to a business carried on by the corporation in the particular year in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that year, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that particular year, and

ii. the aggregate of all amounts each of which is the amount by which the corporation's share of the amount by which the aggregate of the costs incurred by the partnership in the particular fiscal period to acquire such property described in section 1135.3, except an amount incurred with a person with whom a corporation that is a member of the partnership or a specified shareholder of that corporation does not deal at arm's length, that are related to a business carried on by the partnership in the particular fiscal period in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that particular fiscal period, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period;

(a.1) 10% of the aggregate of

i. the aggregate of all amounts each of which is the amount by which the aggregate of the costs incurred by the corporation in the particular taxation year to acquire such a property described in section 1135.3.0.1, except an amount incurred with a person with whom the corporation or a specified shareholder of the corporation does not deal at arm's length, that are related to a business carried on by the

corporation in the particular year in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that year, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that particular year, and

ii. the aggregate of all amounts each of which is the amount by which the corporation's share of the amount by which the aggregate of the costs incurred by the partnership in the particular fiscal period to acquire such a property described in section 1135.3.0.1, except an amount incurred with a person with whom a corporation that is a member of the partnership or a specified shareholder of that corporation does not deal at arm's length, that are related to a business carried on by the partnership in the particular fiscal period in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that particular fiscal period, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period; and

(b) 15% of the aggregate of

i. the aggregate of all amounts each of which is the amount by which the aggregate of the costs incurred by the corporation in the particular taxation year to acquire such property described in section 1135.3.1, except an amount incurred with a person with whom the corporation or a specified shareholder of the corporation does not deal at arm's length, that are related to a business carried on by the corporation in the particular year in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that year, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that particular year, and

ii. the aggregate of all amounts each of which is the amount by which the corporation's share of the amount by which the aggregate of the costs incurred by the partnership in the particular fiscal period to acquire such property described in section 1135.3.1, except an amount incurred with a person with whom a corporation that is a member of the partnership or a specified shareholder of that corporation does not deal at arm's length, that are related to a business carried on by the partnership in the particular fiscal period in Québec, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out, and that are included, at the end of that particular fiscal period, in the capital cost of the property, to the extent that those costs are paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance, attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of that particular fiscal period.

Computation of payments.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the following rules apply:

(a) the corporation shall estimate its tax payable for the particular taxation year under this Part as if that tax were computed without reference to the first paragraph; and

(b) the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the particular taxation year under Part I and of its tax payable for the particular year under this Part and Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

i. the amount by which the amount determined in accordance with the first paragraph for the particular year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular year but before that date, and

ii. the amount by which the amount of that payment, determined without reference to Chapter III.1 of Title III of Book IX of Part I and this section, exceeds the aggregate of all amounts each of which is an amount that is deemed, under that Chapter III.1, to have been paid to the Minister on that date, for the purpose of computing that payment.

Costs excluded.

For the purposes of the first paragraph, the costs that are included, at the end of a taxation year or fiscal period, in the capital cost of a property do not include the costs so included under section 180 or 182.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 251; 2007, c. 12, s. 277; 2009, c. 5, s. 539.

Carry-over of the credit relating to a qualified investment.

1135.2. A corporation to which Title I of Book III applies may deduct from its tax otherwise payable under this Part for a particular taxation year, determined before the application of section 1135.1, an amount not exceeding the amount by which the balance of the amount that the corporation has not deducted under the first paragraph of section 1135.1, in respect of the costs referred to in that paragraph, for any given taxation year preceding the particular year, otherwise than because of the application of section 1135.8 or 1135.8.1, in this section referred to as the "particular balance", exceeds any amount deducted under this section, in respect of those costs, for a taxation year preceding the particular year.

Reduction of the balance carried over.

However, the amount that the corporation may deduct under the first paragraph, in respect of the costs referred to in that paragraph and incurred by the corporation or by a partnership of which it was a member at the end of the fiscal period of the partnership ending in the given taxation year, must be reduced by the amount determined under the third paragraph if

(a) in the particular year or a preceding taxation year, an amount relating to the costs incurred by the corporation, other than an amount having reduced the amount of those costs in accordance with any of subparagraphs *a* to *b* of the first paragraph of section 1135.1 or section 1135.4, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) in a fiscal period of a partnership ending in the particular year or in a preceding taxation year and at the end of which the corporation is a member of that partnership, an amount relating to the costs incurred by that partnership, other than an amount having reduced the amount of those costs, or the corporation's share of the amount of those costs, in accordance with any of subparagraphs *a* to *b* of the first paragraph of section 1135.1 or section 1135.4, is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Amount of the reduction.

The amount to which the second paragraph refers is the amount by which the particular balance exceeds the amount that would be the amount of the particular balance if

(a) any amount referred to in subparagraph *a* or *b* of the second paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation were directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation in the given taxation year; and

(b) any amount referred to in subparagraph *b* of the second paragraph that is, directly or indirectly, refunded or otherwise paid to a partnership referred to in that subparagraph *b* or allocated to a payment to be made by the partnership were directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership in the partnership's fiscal period ending in the given taxation year.

Amount deemed paid.

If, in respect of the costs referred to in the first paragraph, a person other than the corporation, or a partnership other than the particular partnership that incurred those costs, has obtained, at a particular time, a benefit or advantage that would have reduced those costs in accordance with section 1135.4 if the person or partnership had obtained it, had been entitled to obtain it or could reasonably have expected to obtain it on or before the corporation's filing-due date for the given taxation year, or on or before the day that is six months after the end of the fiscal period of the particular partnership that ends in the given taxation year, the benefit or advantage is, for the purposes of the second and third paragraphs,

(a) if those costs were incurred by the corporation, deemed to be an amount that is paid to the corporation at that time; or

(b) if those costs were incurred by the particular partnership, deemed to be

i. an amount that is paid to the particular partnership at that time, when the benefit or advantage has been obtained by another partnership or by a person other than the person referred to in subparagraph ii, or

ii. an amount that is paid to the corporation at that time, when the benefit or advantage has been obtained by a person with whom the corporation is not dealing at arm's length.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 252; 2007, c. 12, s. 278; 2009, c. 5, s. 540.

Qualified property.

1135.3. The property to which the first paragraph of section 1135.1 refers is a property included in Class 29 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), if the property is acquired after 18 March 2007, or in Class 43 of that Schedule in any other case, other than a property described in section 1135.3.0.1 or 1135.3.1, that

(a) is acquired after 21 April 2005, but is not a property acquired pursuant to an obligation in writing entered into before 22 April 2005 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 21 April 2005, nor any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008;

(b) begins to be used within a reasonable time after being acquired;

(c) is used solely in Québec and mainly in the course of carrying on a business; and

(d) was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 253; 2009, c. 5, s. 541; 2009, c. 15, s. 428; 2011, c. 6, s. 221.

Qualified property.

1135.3.0.1. The property to which the first paragraph of section 1135.1 and section 1135.3 refer is a property included in Class 29 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), if the property is acquired after 18 March 2007, or in Class 43 of that Schedule in any other case, other than a property described in section 1135.3.1, that

(a) is acquired after 20 February 2007, but is not a property acquired pursuant to an obligation in writing entered into before 21 February 2007 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 20 February 2007, nor any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008;

(b) begins to be used within a reasonable time after being acquired;

(c) is used solely in Québec and mainly in the course of carrying on a business; and

(d) was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever.

History: 2009, c. 5, s. 542; 2009, c. 15, s. 429; 2011, c. 6, s. 222.

Qualified property in the forestry sector.

1135.3.1. The property to which the first paragraph of section 1135.1 and sections 1135.3 and 1135.3.0.1 refer is a property included in Class 29 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), if the property is acquired after 18 March 2007, or in Class 43 of that Schedule in any other case, that

(a) is a property acquired after 23 March 2006 (other than a property described in paragraph *b*, a property acquired pursuant to an obligation in writing entered into before 24 March 2006 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 23 March 2006, or any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008) and that

i. begins to be used within a reasonable time after being acquired,

ii. is used solely in Québec in the course of carrying on a business and mainly in

(1) sawmill and wood preservation activities included in the group described under code 3211 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada,

(2) activities involved in the manufacturing of veneer, plywood and engineered wood products included in the group described under code 3212 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada, excluding activities involved in the manufacturing of structural wood products included in the class described under code 321215 of that publication, or

(3) activities relating to pulp, paper and paperboard mills included in the group described under code 3221 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada, and

iii. was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever; or

(b) is a property acquired after 23 November 2007 (other than a property acquired pursuant to an obligation in writing entered into before 24 November 2007 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 23 November 2007, or any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008) and that

i. begins to be used within a reasonable time after being acquired,

ii. is used solely in Québec and mainly in the course of carrying on a business, and

iii. was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever.

History: 2006, c. 36, s. 254; 2009, c. 5, s. 543; 2009, c. 15, s. 430; 2011, c. 6, s. 223.

Benefits and advantages.

1135.4. If, in respect of costs incurred by a particular corporation or a particular partnership to acquire a property described in any of sections 1135.3 to 1135.3.1, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the acquisition of that property, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that the particular corporation may deduct in computing its tax otherwise payable under the first paragraph of section 1135.1 for a particular taxation year, the amount determined in accordance with subparagraph i of any of subparagraphs *a* to *b* of that first paragraph, in respect of the particular corporation for the particular year, in relation to those costs, is to be reduced by the amount of that benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the particular corporation's filing-due date for the particular year; and

(b) for the purpose of computing the amount that the particular corporation may deduct in computing its tax otherwise payable under the first paragraph of section 1135.1 for a particular taxation year, if the particular corporation is a member of the particular partnership at the end of the fiscal period of the particular partnership that ends in the particular year, the amount determined in accordance with subparagraph ii of any of subparagraphs *a* to *b* of that first paragraph, in respect of the particular corporation for the particular year, in relation to those costs, is to be reduced

i. by its share, for that fiscal period, of the amount of that benefit or advantage, relating to those costs, that the person, other than a person referred to in subparagraph ii, or the partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of that fiscal period, and

ii. by the amount of that benefit or advantage, relating to those costs, that the particular corporation or a person with which it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of that fiscal period;

(c) (*paragraph repealed*).

History: 2005, c. 38, s. 314; 2006, c. 36, s. 255; 2007, c. 12, s. 279; 2009, c. 5, s. 544.

Member's share.

1135.5. For the purposes of sections 1135.1, 1135.2, 1135.4 and 1135.7.3, the share of a corporation or partnership that is a member of a particular partnership, for a fiscal period of that particular partnership, of an amount is equal to the agreed proportion of the amount in respect of the corporation or partnership for that fiscal period.

History: 2005, c. 38, s. 314; 2007, c. 12, s. 280; 2009, c. 15, s. 431.

Repayment of certain amounts by a corporation.

1135.6. If a corporation pays at a particular time in a taxation year, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph i or ii of subparagraph *a* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that the corporation could deduct, in respect of those costs, in computing its tax otherwise payable for a preceding taxation year under this Part, reduced the amount determined, in respect of the corporation, under that subparagraph i or ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the corporation as costs to acquire, in the year, a property of which the corporation is the owner at the end of the year and that meets the conditions set out in section 1135.3; and

(b) the costs referred to in paragraph *a* are deemed to be related to a business that the corporation carries on in the year in Québec and included, at the end of that year, in the capital cost of the property.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 256; 2007, c. 12, s. 281; 2009, c. 5, s. 545.

Repayment of certain amounts related to costs incurred after 20 February 2009.

1135.6.0.1. If a corporation pays at a particular time in a taxation year, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3.0.1, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph i or ii of subparagraph *a.1* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that the corporation could deduct, in respect of those costs, in computing its tax otherwise payable for a preceding taxation year under this Part, reduced the amount determined, in respect of the corporation, under that subparagraph i or ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the corporation as costs to acquire, in the year, a property of which the corporation is the owner at the

end of the year and that meets the conditions set out in section 1135.3.0.1; and

(b) the costs referred to in paragraph *a* are deemed to be related to a business that the corporation carries on in the year in Québec and included, at the end of that year, in the capital cost of the property.

History: 2009, c. 5, s. 546.

Repayment of certain amounts by a corporation.

1135.6.1. If a corporation pays at a particular time in a taxation year, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3.1, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph i or ii of subparagraph *b* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that the corporation could deduct, in respect of those costs, in computing its tax otherwise payable for a preceding taxation year under this Part, reduced the amount determined, in respect of the corporation, under that subparagraph i or ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the corporation as costs to acquire, in the year, a property of which the corporation is the owner at the end of the year and that meets the conditions set out in section 1135.3.1; and

(b) the costs referred to in subparagraph *a* are deemed to be related to a business that the corporation carries on in the year in Québec and included, at the end of that year, in the capital cost of the property.

History: 2006, c. 36, s. 257; 2007, c. 12, s. 282; 2009, c. 5, s. 547.

Repayment of certain amounts by a partnership.

1135.7. If a partnership pays at a particular time in a particular fiscal period, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph ii of subparagraph *a* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that a corporation that is a member of the partnership could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year in which ends a fiscal period of the partnership that precedes the particular fiscal period, reduced the amount determined, in respect of the corporation, under that subparagraph ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the partnership as costs to acquire, in the particular fiscal period, a property of which the partnership is

the owner at the end of that particular fiscal period and that meets the conditions set out in section 1135.3; and

(b) the costs referred to in paragraph *a* are deemed to be related to a business that the partnership carries on in the particular fiscal period in Québec and included, at the end of that fiscal period, in the capital cost of the property.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 258; 2007, c. 12, s. 283; 2009, c. 5, s. 548.

Repayment of certain amounts related to costs incurred after 20 February 2009.

1135.7.0.1. If a partnership pays at a particular time in a particular fiscal period, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3.0.1, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph ii of subparagraph *a.1* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that a corporation that is a member of the partnership could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year in which ends a fiscal period of the partnership that precedes the particular fiscal period, reduced the amount determined, in respect of the corporation, under that subparagraph ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the partnership as costs to acquire, in the particular fiscal period, a property of which the partnership is the owner at the end of that particular fiscal period and that meets the conditions set out in section 1135.3.0.1; and

(b) the costs referred to in paragraph *a* are deemed to be related to a business that the partnership carries on in the particular fiscal period in Québec and included, at the end of that fiscal period, in the capital cost of the property.

History: 2009, c. 5, s. 549.

Repayment of certain amounts by a partnership.

1135.7.1. If a partnership pays at a particular time in a particular fiscal period, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property described in section 1135.3.1, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1135.1 that, for the purpose of determining the amount that a corporation that is a member of the partnership could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year in which ends a fiscal period of the partnership that precedes the particular fiscal period, reduced the amount determined, in respect of the corporation, under that subparagraph ii, the following rules apply:

(a) the particular amount is deemed, for the purposes of sections 1135.1 to 1135.12, to have been paid at the particular time by the partnership as costs to acquire, in the particular fiscal period, a property of which the partnership is the owner at the end of that particular fiscal period and that meets the conditions set out in section 1135.3.1; and

(b) the costs referred to in subparagraph *a* are deemed to be related to a business that the partnership carries on in the particular fiscal period in Québec and included, at the end of that fiscal period, in the capital cost of the property.

History: 2006, c. 36, s. 259; 2007, c. 12, s. 284; 2009, c. 5, s. 550.

Deemed repayment of assistance.

1135.7.2. For the purposes of sections 1135.6 to 1135.7.1, an amount of assistance is deemed to be repaid by a corporation or partnership at a particular time, pursuant to a legal obligation, if that amount

(a) reduced the amount determined in accordance with subparagraph i or ii of any of subparagraphs *a* to *b* of the first paragraph of section 1135.1 for the purpose of determining the amount that the corporation or a corporation that is a member of the partnership could deduct, in respect of the costs referred to in that first paragraph, in computing its tax otherwise payable for a taxation year under this Part;

(b) was not received by the corporation or partnership; and

(c) ceased at that time to be an amount that the corporation or partnership may reasonably expect to receive.

History: 2007, c. 12, s. 285; 2009, c. 5, s. 551.

Partnership having an interest in another partnership.

1135.7.3. If a particular partnership is a member of another partnership at the end of a fiscal period of that other partnership in which that other partnership has incurred costs referred to in subparagraph ii of any of subparagraphs *a* to *b* of the first paragraph of section 1135.1 to acquire a property referred to in that subparagraph ii of which it is the owner at that time, the particular partnership is deemed, for the purposes of sections 1135.1 to 1135.12 and Part VI.1.1 in respect of those costs, to have also acquired, in the course of carrying on a business in Québec, the property in the fiscal period of the particular partnership in which the fiscal period of the other partnership ends or the end of which coincides with the end of the fiscal period of the other partnership, and to be the owner of the property at the end of that fiscal period, and

(a) to have incurred and paid in a particular fiscal period its share of the amounts or costs incurred and paid by the other partnership in its fiscal period that ends in the particular fiscal period or the end of which coincides with the end of the particular fiscal period; and

(b) to have received, to be entitled to receive or to reasonably expect to receive in a particular fiscal period, its share of the amounts that the other partnership has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period of the other partnership that ends in that particular fiscal period or the end of which coincides with the end of the particular fiscal period.

History: 2007, c. 12, s. 285; 2009, c. 5, s. 552.

Restriction.

1135.8. No amount may be deducted by a corporation, for a taxation year, under sections 1135.1 and 1135.2, in relation to a property described in section 1135.3 or 1135.3.0.1 or paragraph *b* of section 1135.3.1, in respect of costs incurred to acquire the property, if, at any time before the day after the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser or by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, or, if it precedes the day that is the end of that period, the corporation's filing-due date, for that taxation year, the property ceases, otherwise than by reason of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property; or

(b) by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 260; 2009, c. 5, s. 553; 2009, c. 15, s. 432.

Restriction.

1135.8.1. No amount may be deducted by a corporation, for a taxation year, under sections 1135.1 and 1135.2, in relation to a property described in paragraph *a* of section 1135.3.1, in respect of costs incurred to acquire the property, if, at any time before the day after the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser or by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, or, if it precedes the day that is the end of that period, the corporation's filing-due date, for that taxation year, the property ceases, otherwise than by reason of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the

property, to be used solely in Québec in connection with the activities, described in subparagraph *ii* of paragraph *a* of section 1135.3.1, of a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property; or

(b) by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

History: 2006, c. 36, s. 261; 2009, c. 5, s. 554; 2009, c. 15, s. 433.

Acquisition of control.

1135.9. If, at any time, control of a corporation is acquired by a person or group of persons, no amount may be deducted by the corporation, under section 1135.2, in computing its tax otherwise payable under this Part for a taxation year ending after that time.

Continuance of a business.

However, the corporation may deduct, under section 1135.2, from its tax otherwise payable under this Part for a particular taxation year ending after that time, the balance of the amount the corporation has not deducted, under section 1135.1, for a taxation year ending before that time, otherwise than because of the application of section 1135.8 or 1135.8.1, that may reasonably be considered to be attributable to costs to acquire a property described in any of sections 1135.3 to 1135.3.1 that were incurred in the course of carrying on a business, if the corporation carried on the business throughout the particular year for profit or with a reasonable expectation of profit.

Rule relating to the amount of tax on capital otherwise payable.

The amount that the corporation may deduct in respect of the balance referred to in the second paragraph is to be determined as if the reference to the tax otherwise payable under this Part were a reference to the portion of the tax otherwise payable under this Part by the corporation for the particular year that may reasonably be attributed to the carrying on of that business and, if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time, of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

History: 2005, c. 38, s. 314; 2006, c. 36, s. 262; 2009, c. 5, s. 555.

Leasing properties.

1135.9.1. A corporation deemed to have acquired a property at a particular time under paragraph *b* of

section 125.1 is deemed, for the purposes of sections 1135.1 to 1135.8.1, to have acquired the property at that time at a cost of acquisition, incurred and paid at that time, equal to the fair market value of the property at that time, and to own the property from that time to the time at which it is deemed to dispose of the property under paragraph *f* of section 125.1.

History: 2006, c. 13, s. 214; 2006, c. 36, s. 263.

Provisions applicable.

1135.9.2. Sections 1029.6.0.1.8.1 and 1029.6.0.1.8.2 apply, with the necessary modifications, to sections 1135.1 to 1135.12, except where inconsistent with those sections.

History: 2007, c. 12, s. 286.

1135.10. (*Repealed*).

History: 2005, c. 38, s. 314; 2006, c. 13, s. 215.

1135.11. (*Repealed*).

History: 2005, c. 38, s. 314; 2006, c. 13, s. 215.

Credit deemed not to be assistance.

1135.12. For the purposes of this Part, government assistance or non-government assistance does not include

(a) an amount deducted by a corporation under section 1135.1 or 1135.2 from its tax otherwise payable under this Part; or

(b) an amount deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) that can reasonably be attributed to the acquisition of a qualified property, within the meaning of subsection 9 of section 127 of that Act.

History: 2005, c. 38, s. 314; 2009, c. 15, s. 434.

BOOK III

COMPUTATION OF PAID-UP CAPITAL

TITLE I

CORPORATIONS OTHER THAN BANKS, SAVINGS AND CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS AND CORPORATIONS TRADING IN SECURITIES

Paid-up capital of a corporation.

1136. (1) In this Part, the paid-up capital of a corporation includes:

(a) the paid-up capital stock and any other participating interest in the nature of capital stock;

(b) the surpluses, provisions and reserves, except those for amortization or depletion, those permitted by Part I to the extent that they were deducted in computing income under

that Part and those for losses, in respect of a contract of lease or of leasing, that a corporation carrying on lease or leasing activities cannot deduct in computing its income under that Part;

(b.0.1) the future tax liabilities;

(b.1) (*paragraph repealed*);

(b.2) where the corporation is a qualified corporation for the taxation year and the amount of the corporation's deficit would be nil, but for the eligible activities of any recognized business carried on by the corporation or by any partnership of which the corporation is a member, that are carried on during the base period applicable to the corporation or partnership, as the case may be, in respect of the eligible activities, or the amount of the corporation's surpluses is less than the amount that would be those surpluses, but for the eligible activities, an amount equal to the lesser of

i. the amount that would be the corporation's deficit if only the eligible activities were taken into account, and

ii. the amount by which the amount that would be the corporation's surpluses if no reference were made to the eligible activities, exceeds the amount of the surpluses that are included in computing the corporation's paid-up capital for the taxation year under paragraph *b*;

(b.3) the amount of the corporation's deferred unrealized foreign exchange gains at the end of the taxation year;

(c) a debt contracted or assumed by it, the payment of which is secured, in part or in whole, by a property of the corporation, other than a debt contracted or assumed by the corporation within the preceding six months and that is a trade account payable as consideration for the acquisition of a good or the supply of a service, or a tax payable in connection with the acquisition of a good or the supply of a service where the acquisition or supply gave rise to a trade account payable or would give rise to a trade account payable if the consideration for the acquisition or supply were unpaid;

(d) the loans and advances granted directly or indirectly to the corporation;

(e) any other debt provided it has existed for more than six months;

(f) bankers' acceptances and other similar securities accepted by a bank or other person, which constitute liabilities of the corporation.

Debt repaid.

(2) A debt repaid before the end of the taxation year is deemed to be a debt at the end of that year if it is established that the repayment was made as part of a series of loans and repayments in order to unduly reduce the paid-up capital.

Corporation having an interest.

(3) A corporation having an interest in a partnership or in a joint venture shall include in computing its paid-up capital the amounts that would be included in computing the paid-up capital of that partnership or joint venture under this section and sections 1137 and 1138, if that partnership or joint venture were a corporation and no reference were made to paragraph *b.1.2* of section 1137, in the proportion that the share of the corporation of the income or loss of the partnership or the joint venture, for the fiscal period of the partnership or joint venture ending in the corporation's taxation year, is of the income or loss of the partnership or joint venture for that fiscal period, on the assumption that, if the income and loss of the partnership or the joint venture for that fiscal period are nil, the income of the partnership or joint venture for that fiscal period is equal to \$1,000,000.

Retained profits or unallocated deficits.

For the purposes of the first paragraph, if the share of an amount of \$1,000,000 in profits of a partnership for a fiscal period that is attributable to a corporation, on account of its interest in the partnership, is at least \$200,000, the following rules apply:

(a) the corporation shall include in computing its paid-up capital its share of the retained profits shown in the partnership's financial statements, except to the extent that the share is otherwise included in the corporation's paid-up capital or to the extent that the Minister is of the opinion that the generally accepted accounting principles allow for the share to not be so included in computing the corporation's paid-up capital; and

(b) the corporation may deduct in computing its paid-up capital its share of the unallocated deficit shown in the partnership's financial statements, except to the extent that the share is otherwise deducted in computing the corporation's paid-up capital or to the extent that the Minister is of the opinion that the generally accepted accounting principles do not allow for the share to be so deducted in computing the corporation's paid-up capital.

Amount not included nor deducted.

However, the corporation shall not include nor deduct in computing its paid-up capital any amount shown in the financial statements of the partnership or joint venture resulting from an operation between the partnership or the joint venture and its members.

History: 1972, c. 23, s. 849; 1972, c. 26, s. 81; 1979, c. 38, s. 27; 1986, c. 15, s. 200; 1991, c. 8, s. 98; 1993, c. 19, s. 145; 1995, c. 63, s. 241; 1997, c. 3, s. 71; 1997, c. 14, s. 273; 1999, c. 86, s. 91; 2000, c. 39, s. 248; 2001, c. 7, s. 165; 2002, c. 40, s. 312; 2003, c. 9, s. 420; 2005, c. 38, s. 315; 2009, c. 5, s. 556.

Deductions in computing paid-up capital.

1137. In computing its paid-up capital, a corporation may deduct

(a) the amount of its deficit;

(b) the costs pertaining to the issue of shares or bonds, including discount, provided they were not used to reduce its surplus or its paid-up capital;

(b.0.1) where it has included in that computation for the taxation year an amount relating to the financing of new automotive equipment that it has acquired for the purpose of resale, an amount equal to 50% of the lesser of the amount shown in its financial statements in relation to such automotive equipment it has in stock and the amount so included in that computation;

(b.1) the amount of its future tax assets;

(b.1.1) the amount of the corporation's deferred unrealized foreign exchange losses at the end of the taxation year;

(b.1.2) the amount determined for the taxation year under section 1137.0.0.2, unless the corporation is for that year a prescribed corporation for the purposes of subparagraph *a* of the first paragraph of section 1143;

(b.2) where it holds, at the end of the taxation year, in respect of an eligible vessel, a valid certificate issued by the Minister of Economic Development, Innovation and Export Trade, where the taxation year is included in its deduction period and where it encloses with the fiscal return it is required to file for the year under section 1000, by reason of section 1145, a copy of that certificate, the aggregate of

i. the amount by which its eligible acquisition costs for the year in respect of the eligible vessel exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such costs, that the corporation has received, is entitled to receive or can reasonably expect to receive on or before its filing-due date for that year, and

ii. the aggregate of all amounts each of which is an amount paid by the corporation in the year, or in a preceding taxation year, as a repayment of assistance referred to in subparagraph *i*;

(b.2.1) where it holds, at the end of the taxation year, in respect of an eligible vessel, a valid certificate issued by the Minister of Economic Development, Innovation and Export Trade, where the taxation year is included in its deduction period and where it encloses with its fiscal return it is required to file for the year under section 1000, by reason of section 1145, a copy of that certificate, the aggregate of

i. the amount by which its eligible conversion costs for the year in respect of the eligible vessel exceeds the aggregate of

all amounts each of which is an amount of government assistance or non-government assistance attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before its filing-due date for that year, and

ii. the aggregate of all amounts each of which is an amount paid by the corporation in the year, or in a preceding taxation year, as a repayment of assistance referred to in subparagraph i;

(b.3) subject to the first paragraph of section 1137.2, where the corporation is the owner at the end of a taxation year of property described in the first paragraph of section 1137.5 and where that year is the year in which it acquired the property or the year following that year, an amount equal to the amount by which the aggregate of the costs it incurred to acquire the property in the year in which it acquired the property, except an amount incurred with a person with whom the corporation or a specified shareholder of the corporation does not deal at arm's length, that are related to a business carried on by the corporation in the year in Québec, and that are included, at the end of that year, in the capital cost of the property, exceeds the aggregate of all amounts each of which is an amount of any government assistance or non-government assistance attributable to such costs, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for that year;

(b.4) subject to the second paragraph of section 1137.2, where the corporation is, at the end of a taxation year, the owner of property described in the first paragraph of section 1137.5 as a consequence of the transfer of the property to the corporation in any of the circumstances described in section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), by a corporation, referred to as the "transferor" in this paragraph and in the second paragraph of section 1137.2, and the transferor would have been, had it been the owner of the property at the end of that year, entitled to deduct under paragraph b.3 an amount in computing its paid-up capital in respect of the property for its taxation year that includes the time of the transfer, an amount equal to the amount by which the amount that the transferor would have been entitled to so deduct in respect of the property under that paragraph b.3 in computing its paid-up capital for the year that includes the time of the transfer, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to the property, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for its taxation year;

(b.5) an amount equal to 33 ⅓% of the portion of its paid-up capital that would, but for this paragraph, be determined under sections 1136 to 1138 that

i. the greater of

(1) its gross revenue for the taxation year from a mineral resource owned or operated by it, and

(2) the capital cost, to the corporation, of property acquired in the year in the course of a major expansion that results in any of the consequences described in subparagraphs 1 and 2 of subparagraph ii of subparagraph a of the first paragraph of Class 28 of Schedule B to the Regulation respecting the Taxation Act, that is added to the capital cost, to the corporation, of the property of Class 41 of that Schedule, is of

ii. the aggregate of its gross revenue for that year and, where applicable, the amount by which the amount determined under subparagraph 2 of subparagraph i of this paragraph exceeds the amount determined under subparagraph 1 of that subparagraph;

(c) (*paragraph repealed*);

(d) where the corporation is a qualified corporation for the taxation year, any amount included by the corporation in that computation for the taxation year otherwise than under paragraph b.2 of subsection 1 of section 1136, to the extent that that amount is not otherwise deducted in that computation and is attributable to the eligible activities of a recognized business carried on by the corporation or by any partnership of which the corporation is a member, that are carried on during the base period applicable to the corporation or partnership, as the case may be, in respect of the eligible activities; and

(e) where the corporation is a qualified corporation for the taxation year and the amount of the corporation's deficit is less than the amount that would be the corporation's deficit, but for the eligible activities of any recognized business carried on by the corporation or by any partnership of which the corporation is a member, that are carried on during the base period applicable to the corporation or partnership, as the case may be, in respect of the eligible activities, an amount equal to the amount by which the amount that would be the corporation's deficit, if no reference were made to the eligible activities, exceeds the amount deducted by the corporation in computing its paid-up capital for the taxation year under paragraph a.

History: 1972, c. 23, s. 850; 1979, c. 38, s. 27; 1986, c. 15, s. 201; 1990, c. 7, s. 211; 1995, c. 63, s. 242; 1997, c. 3, s. 71; 1997, c. 14, s. 274; 1997, c. 31, s. 137; 1997, c. 85, s. 311; 1999, c. 8, s. 20; 1999, c. 83, s. 257; 1999, c. 86, s. 92; 2000, c. 39, s. 249; 2001, c. 7, s. 166; 2001, c. 51, s. 222; 2002, c. 40, s. 313; 2003, c. 9, s. 421; 2004, c. 21, s. 489; 2005, c. 38, s. 316; 2006, c. 13, s. 216; 2006, c. 8, s. 31; 2009, c. 15, s. 435.

Limitation respecting certain deductions.

1137.0.0.1. An amount that a corporation may deduct in computing its paid-up capital under section 1137, otherwise than because of paragraph d or e of that section, does not

include the portion of that amount attributable to eligible activities of a recognized business carried on by the corporation or any partnership of which the corporation is a member, carried out during the base period applicable to the corporation or the partnership in respect of those eligible activities.

History: 1999, c. 86, s. 93; 2000, c. 39, s. 250; 2005, c. 38, s. 317.

Computation of a deduction.

1137.0.0.2. The amount referred to in paragraph *b.1.2* of section 1137 for a taxation year in respect of a corporation is equal to the amount determined by the formula

$$A \times [B - (C \times B)].$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is

i. where, in the taxation year, the corporation is not associated with any corporation other than a corporation referred to in the second paragraph of section 1135, 1,

ii. where, in the taxation year, the corporation is associated with one or more corporations other than a corporation referred to in the second paragraph of section 1135, all the corporations that are associated with each other during the year have filed with the Minister an agreement in prescribed form whereby they attribute a deduction percentage to one or more of them for the year for the purposes of this section, and the deduction percentage or the total of deduction percentages so attributed, as the case may be, does not exceed 100%, the deduction percentage so attributed to the corporation for the year or, in the absence of such an attribution in its respect, zero, and

iii. in any other case, zero;

(b) B is

i. where the taxation year is a 2003 taxation year that includes 31 December 2002, the proportion of \$250,000 that the number of days in the taxation year after that date is of the number of days in the taxation year,

ii. where the taxation year is a 2003 taxation year that does not include 31 December 2002, \$250,000,

iii. where the taxation year is a 2004 taxation year that includes 31 December 2003, the total of

(1) the proportion of \$250,000 that the number of days in the taxation year before 1 January 2004 is of the number of days in the taxation year, and

(2) the proportion of \$600,000 that the number of days in the taxation year after 31 December 2003 is of the number of days in the taxation year,

iv. where the taxation year is a 2004 taxation year that does not include 31 December 2003, \$600,000,

v. where the taxation year is a 2005 taxation year that includes 31 December 2004, the total of

(1) the proportion of \$600,000 that the number of days in the taxation year before 1 January 2005 is of the number of days in the taxation year, and

(2) the proportion of \$1,000,000 that the number of days in the taxation year after 31 December 2004 is of the number of days in the taxation year, and

vi. in any other case, \$1,000,000; and

(c) C is the proportion, expressed as a percentage not exceeding 100%, that the amount by which the paid-up capital attributed to the corporation for the taxation year exceeds the amount determined under subparagraph *b* in respect of the corporation for the taxation year is of three times that amount determined under subparagraph *b*.

Paid-up capital attributed to the corporation.

For the purposes of subparagraph *c* of the second paragraph, the paid-up capital attributed to the corporation for a taxation year is equal to the aggregate of all amounts each of which is

(a) the paid-up capital of the corporation determined without reference to section 1138.2.6 for the preceding taxation year, or, if the taxation year is the first fiscal period of the corporation, its paid-up capital determined without reference to paragraph *b.1.2* of section 1137 and section 1138.2.6 on the basis of its financial statements at the beginning of that fiscal period; or

(b) where, in the taxation year, the corporation is associated with another corporation, the paid-up capital of that other corporation determined without reference to section 1138.2.6 for its last taxation year that ended before the beginning of the taxation year of the corporation, or, if that other corporation has no such taxation year, its paid-up capital determined without reference to paragraph *b.1.2* of section 1137 and section 1138.2.6 on the basis of its financial statements at the beginning of its first fiscal period.

Insurer.

For the purposes of subparagraph *b* of the third paragraph, where the other corporation referred to in that subparagraph is an insurer, within the meaning of the Insurers Act (chapter A-32.1), other than a corporation referred to in paragraph *a* of section 1132, its paid-up capital shall be established in accordance with Title II as if it were a bank and paragraph *a*

of section 1140 were replaced by paragraph *a* of subsection 1 of section 1136.

History: 2003, c. 9, s. 422; 2005, c. 23, s. 255; 2009, c. 15, s. 436; 2010, c. 25, s. 221; 2018, c. 23, s. 811(2).

Rules applicable.

1137.0.1. For the purposes of paragraph *b.5* of section 1137, the following rules apply:

(a) the gross revenue of a corporation for a taxation year from a mineral resource owned or operated by it includes its gross revenue for the year attributable to the processing, to any stage that is not beyond the prime metal stage or its equivalent, of ore, metals or minerals from that source, but does not include its gross revenue for the year attributable to processing beyond that stage; and

(b) if a corporation is a member of a partnership, the gross revenue of the partnership from a mineral resource owned or operated by it and its gross revenue are deemed to constitute, respectively, a gross revenue of the corporation from a mineral resource owned or operated by it and a gross revenue of the corporation, in a proportion equal to the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the taxation year of the corporation, and are deemed not to constitute income for the partnership.

History: 1999, c. 83, s. 258; 2009, c. 15, s. 437.

Application.

1137.1. For the purposes of paragraphs *b.2* and *b.2.1* of section 1137, an amount is deemed to be paid by a corporation at a particular time as a repayment of assistance where that amount

(a) reduced, because of subparagraph *i* of paragraph *b.2* of section 1137 or subparagraph *i* of paragraph *b.2.1* of that section, the amount deductible by a corporation in computing its paid-up capital for a taxation year;

(b) was not received by the corporation; and

(c) ceased at that particular time to be an amount that the corporation may reasonably expect to receive.

History: 1997, c. 14, s. 275; 1999, c. 8, s. 20; 1999, c. 83, s. 259; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 8, s. 31; 2012, c. 8, s. 246.

Interest in a partnership.

1137.1.1. Where a particular corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for a particular taxation year, government assistance or non-government assistance, attributable to an eligible vessel referred to in paragraph *b.2* or *b.2.1* of section 1137 that is owned by a partnership in which the particular corporation has an interest at the end of the fiscal period of the partnership ending in the particular

year, the partnership is deemed, for the purposes of those paragraphs *b.2* and *b.2.1* and for the purpose of determining the amount the particular corporation is required to include in computing its paid-up capital, because of subsection 3 of section 1136, in respect of its interest in the partnership, to have received, to be entitled to receive or to reasonably expect to receive, at the end of that fiscal period, the assistance attributable to the eligible vessel in an amount equal to the product obtained by multiplying the amount of that assistance by the quotient obtained by dividing 1 by the proportion determined, pursuant to subsection 3 of that section 1136, in respect of the particular corporation, in relation to its interest in the partnership, for that particular year.

History: 1999, c. 83, s. 260.

Certificate.

1137.2. A corporation may deduct, under paragraph *b.3* of section 1137, an amount in computing its paid-up capital for a taxation year, in respect of property referred to in that paragraph *b.3* that is described in subparagraph *c* of the first paragraph of section 1137.5 and that is acquired by the corporation for the carrying on of an activity described in subparagraph *d* of the second paragraph of that section, only if the corporation holds at the end of the year, in respect of that activity, a qualification certificate issued by Tourisme Québec certifying that the recreational facilities it operates are conducive to promoting tourism in Québec and if it encloses a copy of the qualification certificate with the fiscal return it is required to file for the year under section 1000, because of section 1145.

Transfer of property.

For the purposes of paragraph *b.4* of section 1137, the following rules apply:

(a) a corporation may deduct, under that paragraph *b.4*, an amount in computing its paid-up capital for a taxation year, in respect of property referred to in that paragraph *b.4* that is described in subparagraph *c* of the first paragraph of section 1137.5 and that was acquired by the transferor referred to in that paragraph *b.4* for the carrying on of an activity described in subparagraph *d* of the second paragraph of section 1137.5, only if the corporation encloses a copy of the qualification certificate issued by Tourisme Québec to the transferor in respect of that activity with the fiscal return it is required to file for the year under section 1000, because of section 1145; and

(b) a corporation may deduct an amount, under that paragraph *b.4*, in respect of property referred to in that paragraph, in computing its paid-up capital for a particular taxation year only if the particular year is

i. where the transferor's taxation year that includes the time of the transfer referred to in that paragraph *b.4* is the year in which it acquired the property, the corporation's taxation year

that includes the time of the transfer and the year following that year, or

ii. where the transferor's taxation year includes the time of the transfer referred to in that paragraph *b.4*, follows the year in which the transferor acquired the property, the corporation's taxation year that includes the time of the transfer.

History: 1997, c. 85, s. 312; 2003, c. 9, s. 423.

Repayment of assistance.

1137.3. Where, at a particular time, a corporation in a taxation year pays a particular amount, in relation to property, that may reasonably be considered to be the repayment of particular assistance that reduced, pursuant to paragraph *b.3* or *b.4* of section 1137, the amount that the corporation, or a corporation from which it acquired the property, was entitled to deduct, in respect of the property, in computing its paid-up capital under those paragraphs, the following rules apply:

(a) the particular amount is deemed to have been incurred at that particular time by the corporation as costs, in the year in which it paid the particular amount, to acquire property described in the first paragraph of section 1137.5 which it owned at the end of the year;

(b) the corporation may deduct the particular amount in computing its paid-up capital for a taxation year

i. that is, where the particular assistance reduced an amount that could have been deducted, pursuant to paragraph *b.3* or *b.4* of section 1137, the taxation year in which the property was acquired by the corporation or, where paragraph *b.4* applies, by the transferor referred to therein, the year in which it paid the particular amount or the year following that year, or

ii. that is, where the assistance reduced an amount that could have been deducted, pursuant to paragraph *b.3* or *b.4* of section 1137, the taxation year following the year in which the property was acquired by the corporation or, where paragraph *b.4* applies, by the transferor referred to therein, the year in which it pays the particular amount; and

(c) the amount that the corporation deducts, for a particular taxation year, from its paid-up capital under subparagraph *b* is deemed to have been deducted by the corporation under paragraph *b.3* of section 1137 in computing its paid-up capital for that particular year.

Deemed repayment of assistance.

For the purposes of the first paragraph, an amount is deemed to be an amount paid, at a particular time, as repayment of assistance by a corporation, where

(a) it reduced, because of paragraphs *b.3* and *b.4* of section 1137, the amount deductible by the corporation under either of those paragraphs in computing its paid-up capital for a taxation year;

(b) it has not been received by the corporation; and

(c) it ceased, at the particular time, to be an amount the corporation may reasonably expect to receive.

History: 1997, c. 85, s. 312; 1999, c. 83, s. 261.

Restrictions.

1137.4. Notwithstanding paragraphs *b.3* and *b.4* of section 1137, no deduction shall be made for a taxation year, in relation to property described in the first paragraph of section 1137.5, in respect of costs incurred to acquire the property, where

(a) in the case where the property is described in subparagraph *c* of the first paragraph of section 1137.5 and was acquired in connection with an activity described in subparagraph *d* of the second paragraph of that section 1137.5, the qualification certificate issued by Tourisme Québec in respect of that activity is revoked on or before the filing-due date for that year of the purchaser of the property that is the owner of the property at the end of that year;

(b) at any time before the day after the earlier of the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser or by a subsequent purchaser of the property that acquired the property in any of the circumstances described in section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), and the filing-due date, for that taxation year, of the purchaser that is the owner of the property at the end of that year, the property ceases, otherwise than by reason of the loss or involuntary destruction of the property by fire, theft or water or of a major breakdown of the property, to be used solely in Québec to earn income for a business carried on

i. by the first purchaser of the property and where that time is also in the portion of that period in which the first purchaser owns the property, or

ii. by a subsequent purchaser of the property that acquired the property in any of the circumstances described in section 130R149 of the Regulation respecting the Taxation Act, and where that time also is in the portion of that period in which the subsequent purchaser owns the property.

Relaxation of rule.

Where the property is general-purpose electronic data processing equipment referred to in subparagraph *b* of the second paragraph of Class 12 of Schedule B to the Regulation respecting the Taxation Act and the property is

installed in Québec, the word “solely” shall be replaced, in subparagraph *b* of the first paragraph, by the word “primarily”.

History: 1997, c. 85, s. 312; 2001, c. 51, s. 223; 2003, c. 9, s. 424; 2009, c. 15, s. 438.

Property described.

1137.5. The property to which paragraphs *b.3* and *b.4* of section 1137 refer is any property, other than property acquired pursuant to an obligation in writing entered into before 26 March 1997 or, where applicable, the construction of which, by or on behalf of the purchaser, had begun by 25 March 1997, that is acquired after 25 March 1997 and before 13 June 2003, or after 12 June 2003 and before 13 June 2004 if the property is acquired pursuant to an obligation in writing entered into before 13 June 2003 or, where applicable, if the construction of the property, by or on behalf of the purchaser, had begun before 13 June 2003, and that is

(a) property referred to in subparagraph *b* of the second paragraph of Class 12 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1), if, before its acquisition, it was not used for any purpose or acquired to be used or leased for any purpose whatever;

(b) a building situated in Québec or part of such a building in respect of which an amount would be included, but for section 93.6, in computing the undepreciated capital cost of the depreciable property of a prescribed class, if the building or the part of the building, before its acquisition, was not used for any purpose or acquired to be used or leased for any purpose whatever, and

i. is used by the purchaser, directly or indirectly, mainly to manufacture or process items for sale or lease, or is intended to be so used, or

ii. is leased in the normal course of carrying on the business of the purchaser to a lessee who may reasonably be expected to use, the building or the part of the building, directly or indirectly, mainly to manufacture or process items for sale or lease;

(b.1) a building situated in Québec or part of such a building, in respect of which an amount would be included, but for section 93.6, in computing the undepreciated capital cost of the depreciable property of a prescribed class, if the building or the part of the building, before its acquisition, was not used for any purpose or acquired to be used or leased for any purpose whatever, and

i. is used by the purchaser, directly or indirectly, mainly in the processing of mineral ores recovered from a mineral resource that is located in a country other than Canada, or is intended to be so used, or

ii. is leased in the normal course of carrying on the business of the purchaser to a lessee who may reasonably be expected to use, the building or the part of the building, directly or indirectly, mainly in the processing of mineral ores recovered from a mineral resource that is located in a country other than Canada;

(c) equipment or a building situated in Québec or part of such a building, in respect of which an amount would be included, but for section 93.6, in computing the undepreciated capital cost of the depreciable property of a prescribed class, if the equipment or building or the part of the building, before its acquisition, was not used for any purpose or acquired to be used or leased for any purpose whatever, and

i. is used by the purchaser, directly or indirectly, mainly as part of an activity described in the second paragraph, or is intended to be so used, or

ii. is leased in the normal course of carrying on the business of the purchaser to a lessee who may reasonably be expected to use, the equipment or building or the part of the building, directly or indirectly, mainly as part of an activity described in the second paragraph.

Activity described.

An activity referred to in any of the subparagraphs of subparagraph *c* of the first paragraph is

(a) the operation of a tourist accommodation establishment, within the meaning of the regulations under the Act respecting Tourist Accommodation Establishments (chapter E-14.2), situated in Québec, with the exception of an educational institution, within the meaning of those regulations;

(b) the carrying on in Québec, for recreational purposes, of a business consisting in renting boats, airplanes or vehicles other than automobiles;

(c) the carrying on of a business consisting in offering holiday packages in Québec, including lodging and transportation in Québec as well as related recreational activities; or

(d) the carrying on of recreational activities in Québec in respect of which Tourisme Québec has issued a qualification certificate certifying that the recreational facilities are conducive to promoting tourism in Québec, except the following facilities:

i. a cinema or a drive-in,

ii. an amusement arcade,

iii. a bowling alley,

- iv. a skating rink,
- v. a sports club,
- vi. a pool,
- vii. a bingo hall,
- viii. a casino,
- ix. a community centre,
- x. a playground,
- xi. a private club.

History: 1997, c. 85, s. 312; 1999, c. 83, s. 262; 2000, c. 39, s. 251; 2001, c. 51, s. 224; 2003, c. 9, s. 425; 2004, c. 21, s. 490; 2005, c. 23, s. 256; 2006, c. 13, s. 217.

Interest in a partnership.

1137.6. Where a particular corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for a particular taxation year, government assistance or non-government assistance, attributable to particular property referred to in paragraph *b.3* or *b.4* of section 1137 and that is owned by a partnership in which the particular corporation has an interest at the end of the fiscal period of the partnership ending in the particular year, the partnership is deemed, for the purposes of those paragraphs *b.3* and *b.4* and for the purpose of determining the amount the particular corporation is required to include in computing its paid-up capital, because of subsection 3 of section 1136, in respect of its interest in the partnership, to have received, to be entitled to receive or to reasonably expect to receive, at the end of that fiscal period, the assistance attributable to the particular property in an amount equal to the product obtained by multiplying the amount of that assistance by the quotient obtained by dividing 1 by the proportion determined, pursuant to subsection 3 of that section 1136, in respect of the particular corporation, in relation to its interest in the partnership, for that particular year.

History: 1997, c. 85, s. 312.

Restriction.

1137.7. Subject to any special provision of this Part, where, in respect of particular costs, an amount is deducted under any of paragraphs *b.2* to *b.4* of section 1137, by a corporation in computing its paid-up capital for a taxation year, no other deduction may be made by the corporation, for any taxation year under any other of those paragraphs, in respect of all or part of a cost or expenditure, included in the particular costs.

History: 1997, c. 85, s. 312.

Acquisition of control.

1137.8. For the purposes of this Part, where, at any time after 11 June 2003, control of a corporation that is a member of a partnership that carries on, at that time, a recognized business is acquired by a person or group of persons, the definition of “base period” in section 1130 shall be read as follows:

““base period” means a base period within the meaning that would be assigned by section 737.18.6 if subparagraph *b* of the first paragraph of section 737.18.9.2 were read as follows:

“(b) where the recognized business is carried on by the partnership, the base period applicable to the partnership, in respect of the eligible activities of the recognized business, is deemed, for the purpose of computing the amount of tax payable under Part IV by the corporation for the taxation year that includes that time and for a subsequent taxation year, to end at that time.”;

Exceptions.

However, the first paragraph does not apply if the acquisition of control

(a) occurs before 1 July 2004 and Investissement Québec certifies that it results from a transaction that was sufficiently advanced on 11 June 2003 and was binding on the parties on that date;

(b) is by a corporation carrying on at that time a recognized business, by a person or group of persons that controls such a corporation, or by a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation;

(c) derives from the exercise after 11 June 2003 of one or more rights described in paragraph *b* of section 20 that were acquired before 12 June 2003; or

(d) derives from the performance after 11 June 2003 of one or more obligations described in the third paragraph of section 21.3.5 that were contracted before 12 June 2003.

Provisions applicable.

Sections 21.2 to 21.3.3 and 21.4 to 21.4.1 apply, with the necessary modifications, to this section.

History: 2004, c. 21, s. 491; 2005, c. 23, s. 257; 2006, c. 13, s. 218.

Reduction of paid-up capital.

1138. (1) The paid-up capital of a corporation computed after the application of sections 1136 and 1137 shall be reduced in the proportion that the aggregate of the following value and amounts is of the total of its assets:

(a) the value of its investments in shares and bonds of other corporations;

(a.1) the value of its investments in permanent shares of a savings and credit union and any participating interest in the nature of a permanent share of a savings and credit union;

(b) the amount of loans and advances to other corporations;

(c) the amounts of the loans and advances to a partnership or joint venture, to the extent that the amounts of the loans or advances are included in computing the paid-up capital of a corporation that has an interest in the partnership or joint venture;

(d) the amounts of the bankers' acceptances and other similar securities accepted by a bank or any other person which are assets thereof, to the extent that such acceptances and other securities are for the benefit of a corporation;

(d.1) the amount of debts resulting from the selling of property or the provision of services to another corporation, where those debts are secured, in whole or in part, by a property of that other corporation;

(d.2) except where they are described in any of paragraphs *a* to *d.1* or would be described therein but for subsections 2 to 2.1.3, the amount of debts that are owed

i. by another corporation, except a corporation referred to in paragraph *a* of section 1132, and that are secured, in whole or in part, by a property of that other corporation or have been in existence for more than six months, or

ii. by a loan corporation, a trust corporation or a corporation trading in securities, to which the corporation is related;

(e) the amount referred to in section 1138.4.

Value of a share.

(1.1) For the purposes of subsection 1, the value of a share is deemed equal to its cost where the amount included in the assets is less than that cost; in such a case, the amount by which the cost exceeds that amount must be included in the paid-up capital of the corporation if it is not already included therein under section 1136.

Loans and advances to other corporations.

(2) The following are deemed not to be loans and advances to other corporations:

(a) *(paragraph repealed)*;

(b) amounts receivable by a subsidiary from its parent corporation whose head office is outside Canada;

(c) *(paragraph repealed)*.

(2.0.1) *(Subsection repealed)*.

(2.1) *(Subsection repealed)*.

Loan substituted for a debt.

(2.1.0.1) For the purposes of this section,

(a) a debt that, but for this subparagraph, would be a loan or an advance to a corporation, a partnership or a joint venture, is deemed not to be such a loan or such an advance, in a taxation year, where it has been substituted for a debt that was not, immediately before the substitution, such a loan or such an advance and where, in that year, the creditor and the debtor of the debt are associated corporations, in the case where the creditor and the debtor are corporations, or do not deal at arm's length, in the other cases;

(b) a debt that, but for this paragraph, would be a loan or an advance is deemed not to be such a loan or such an advance, in a taxation year, where

i. the debt was acquired, in the year or in a preceding taxation year, by a person, a partnership or a joint venture, called "acquirer" in this paragraph, from a person, partnership or joint venture, called "assignor" in this paragraph, and the acquirer and assignor are associated at the time of the acquisition, in the case where the acquirer and the assignor are corporations, or do not deal at arm's length at that time, in the other cases,

ii. the debt is a debt that, before its disposition by the assignor, was substituted for a debt that was not, immediately before the substitution, a loan or an advance to a corporation, a partnership or a joint venture and in respect of which, at the time of the substitution, the creditor and debtor were associated corporations, in the case where the creditor and the debtor are corporations, or did not deal at arm's length, in the other cases, and

iii. in the taxation year, the acquirer and debtor are associated corporations, in the case where the acquirer and the debtor are corporations, or do not deal at arm's length in the other cases.

Interpretation.

(2.1.0.2) For the purposes of this subsection and subsection 2.1.0.1,

(a) where an acquirer, within the meaning of subparagraph *i* of paragraph *b* of subsection 2.1.0.1, acquires a debt from a particular assignor that is an assignor within the meaning of that subparagraph *i* and had itself acquired the debt from another such assignor to which it was associated, in the case where the assignors are corporations, or with which it did not deal at arm's length, in the other cases, the acquirer is deemed to acquire the debt from the other assignor at the time at which the particular assignor had acquired the debt from the other assignor and to be associated at that time with

the other assignor, in the case where the acquirer and the other assignor are corporations, or not to deal at arm's length at that time with the other assignor, in the other cases;

(b) (*paragraph repealed*);

(c) to determine whether a partnership or a joint venture does not, at a particular time, deal at arm's length with a person, another partnership or another joint venture, each partnership or joint venture is deemed to be, at that particular time and for the purposes of sections 17 to 21, a person.

Bankers' acceptances.

(2.1.1) Bankers' acceptances and other similar securities the drawer of which is a corporation authorized to receive deposits of money and not referred to in subparagraph ii of paragraph *d.2* of subsection 1 are deemed not to be bankers' acceptances or other similar securities referred to in subsection 1.

Corporations not related.

(2.1.1.1) For the purposes of subsection 1, an investment in bonds of another corporation, a loan or advance to another corporation, a banker's acceptance and a similar security for the benefit of another corporation or a debt described in paragraph *d.1* of that subsection 1 that is owed by another corporation is deemed not to be such property where the other corporation is a corporation referred to in paragraph *a* of section 1132 that is not related to the corporation, except where that property is included in the long-term debt of the other corporation or is, where that other corporation is a corporation trading in securities, a subordinated loan or another debt of that corporation whose repayment is subject to the prior approval of an agency empowered to regulate trading in securities.

Property not held without interruption.

(2.1.2) For the purposes of subsection 1, an investment in shares of a bank or a particular corporation related to a bank or a savings and credit union, a loan or an advance to such a particular corporation, an investment in bonds of another corporation, a property described in paragraph *a.1* of subsection 1, a property described in paragraph *b* or *c* of that subsection that is a commercial paper, a property described in that paragraph *c* that is an investment in bonds of a partnership or a property described in any of paragraphs *d* to *d.2* of that subsection, is deemed not to be such a property if it was not held without interruption by the corporation throughout a 120-day period that includes the date of the end of its taxation year.

Debt owed for six months or less.

(2.1.2.1) For the purposes of paragraphs *d.1* and *d.2* of subsection 1, a debt referred to in any of those paragraphs, that is owed by a corporation, is deemed not to be such property where it is a debt that has been owed by that

corporation for six months or less and that is a trade account receivable as consideration for the disposition of a property or the provision of a service, or a tax receivable in relation to the disposition of a property or the provision of a service where the disposition or provision gave rise to a trade account receivable or would give rise to a trade account receivable if the consideration for the disposition or provision were unpaid.

Reserve for doubtful debts.

(2.1.2.2) For the purposes of subsection 1, the amount of the debts referred to in paragraphs *d.1* and *d.2* of that subsection must be reduced by the part, attributable to those debts, of the reserve for doubtful debts that is deducted, in accordance with subsection 3, in computing the amount of the assets of the corporation.

Reference to another corporation.

(2.1.2.3) For the purposes of subsection 1 and despite section 1.7, a reference to another corporation in subsection 1 is deemed not to be a reference to a government of a country, province, state or to another political subdivision of a country, other than a municipality or municipal body performing government functions.

Authorized or parent corporation.

(2.1.3) For the purposes of paragraph *d.1* of subsection 1, a debt resulting from the selling of property or the provision of services to another corporation is deemed not to be such a debt where that other corporation is

(a) a corporation authorized to receive deposits of money and not referred to in subparagraph ii of paragraph *d.2* of subsection 1; or

(b) a corporation that is the parent corporation of the corporation and whose head office is outside Canada.

(2.1.4) For the purposes of subsection 2.1.2, the particular corporation referred to in that subsection is deemed not to be related to a bank or savings and credit union in respect of an investment by another corporation in shares of the particular corporation or a loan or an advance by that other corporation to the particular corporation, if the particular corporation is not related to the bank or the savings and credit union at any time during the period the other corporation holds the investment or is the creditor of the loan or the advance.

Reduction of paid-up capital.

(2.2) No reduction of the paid-up capital shall be permitted under subsection 1 in respect of a loan, an advance, a debt described in paragraph *d.2* of that subsection, or a banker's acceptance or a similar security if it is established that the loan, advance, debt or banker's acceptance or security was made or issued as part of a series of loans, advances, such debts or banker's acceptances or similar securities and

repayments or transactions with a view to unduly reducing the paid-up capital.

Amount of the assets of a corporation.

(3) The amount of the assets of a corporation is that shown in the corporation's financial statements, after deduction of the provisions and reserves for amortization or depletion, of the reserve for doubtful debts provided it was deducted in computing income under Part I, and of any amount deducted in computing the corporation's paid-up capital under any of paragraphs *b*, *b.1* and *b.1.1* of section 1137, to which is added

(a) any amount having reduced the amount of the assets that must be included in the paid-up capital, and

(b) the amount of the assets of a partnership or a joint venture in the proportion that the share of that corporation of the income or loss of the partnership or the joint venture is of the income or loss of the partnership or the joint venture, on the assumption that, if the income and loss of the partnership or joint venture for a fiscal period are nil, the income of the partnership or joint venture for that fiscal period is equal to \$1,000,000, reduced by the amount of the interest of the corporation in the partnership or joint venture shown as an asset in its financial statements.

Adjustment.

(3.1) For the purposes of subsection 3, a corporation may deduct, in computing the amount of its assets, an amount shown in its financial statements resulting from a transaction between a partnership or a joint venture and its members, except to the extent that the transaction increased the amount of the corporation's interest in the partnership or joint venture, shown as an asset in its financial statements.

Amount of the assets of a corporation.

(4) For the purposes of paragraph *b* of subsection 3, a corporation shall not include in computing the amount of its assets any amount shown in the financial statements of the partnership or joint venture resulting from an operation between the partnership or joint venture and its members.

(5) *(Subsection repealed).*

History: 1972, c. 23, s. 851; 1979, c. 38, s. 27; 1980, c. 13, s. 110; 1986, c. 15, s. 202; 1986, c. 19, s. 206; 1987, c. 67, s. 200; 1990, c. 7, s. 212; 1991, c. 8, s. 99; 1993, c. 19, s. 146; 1993, c. 64, s. 194; 1995, c. 1, s. 194; 1995, c. 63, s. 243; 1997, c. 3, s. 71; 1997, c. 14, s. 276; 1997, c. 85, s. 313; 1999, c. 83, s. 263; 2000, c. 39, s. 252; 2001, c. 51, s. 225; 2002, c. 40, s. 314; 2003, c. 9, s. 426; 2005, c. 23, s. 258; 2005, c. 38, s. 318; 2006, c. 13, s. 219; 2009, c. 5, s. 557; 2012, c. 8, s. 247.

1138.0.0.1. *(Repealed).*

History: 1997, c. 85, s. 314; 1999, c. 83, s. 264.

1138.0.0.2. *(Repealed).*

History: 1997, c. 85, s. 314; 1999, c. 83, s. 265.

Deduction in computing the paid-up capital.

1138.0.1. A qualified corporation, within the meaning of sections 771.5 to 771.7, for a taxation year may deduct, if it is not described in section 1138.1, in computing its paid-up capital for the year, after the application of section 1138, an amount equal to 75% of the lesser of

(a) its paid-up capital for the year, computed after the application of section 1138, minus the amount that, where applicable, could be deducted from the paid-up capital of the corporation for the year under section 1138.2.5 if "75% of the amount" in the first paragraph of section 57 of the Act respecting international financial centres (chapter C-8.3) were replaced by "the amount"; and

(b) \$3,000,000.

Exception.

Notwithstanding the first paragraph, the amount deductible by such a corporation in computing its paid-up capital under this section, for its taxation year that includes the last day of its exemption period, within the meaning of the first paragraph of section 771.1, is equal to such proportion of the amount that, but for this paragraph, would be determined under the first paragraph that the number of days in the year included in that exemption period is of the number of days in the year.

History: 1987, c. 21, s. 91; 1993, c. 64, s. 195; 1995, c. 63, s. 244; 1997, c. 3, s. 71; 1997, c. 85, s. 315; 2000, c. 39, s. 253; 2004, c. 21, s. 492; 2005, c. 38, s. 319; 2009, c. 5, s. 558.

Deduction by farming or fishing corporation.

1138.1. Every farming corporation or every corporation whose activities consist mainly in carrying on a fishing business may deduct \$5,000,000 in computing its paid-up capital, following the application of section 1138.

Associated corporation.

However, if the corporation is associated in a taxation year with one or several other corporations referred to in the first paragraph, the amount it may deduct for the year under this section is equal to the product obtained by multiplying \$5,000,000 by

(a) if all the corporations associated with each other during the year have filed with the Minister an agreement in the prescribed form whereby they attribute a deduction percentage to one or more of them for the year for the purposes of this section, and the deduction percentage or the total of deduction percentages so attributed, as the case may be, does not exceed 100%, the deduction percentage so

attributed to the corporation for the year or, in the absence of such an attribution in its respect, zero; and

(b) in any other case, zero.

Association with a third corporation.

Where two corporations are deemed, under section 21.21, to be associated with each other at any time by reason that they are associated, or deemed to be associated under that section, at that time with the same corporation, in this paragraph referred to as the “third corporation”, the following rules apply if the third corporation so elects in prescribed form for its taxation year that includes that time:

(a) for the purpose of determining whether, for the purposes of this section, the two corporations are deemed to be associated with each other under section 21.21, the third corporation is deemed not to be associated with either of those two corporations in that taxation year; and

(b) the amount that the third corporation may deduct for that taxation year under this section is nil.

History: 1986, c. 15, s. 203; 1987, c. 21, s. 92; 1989, c. 5, s. 238; 1995, c. 63, s. 245; 1997, c. 3, s. 71; 2003, c. 9, s. 427; 2009, c. 5, s. 559.

Interpretation Bulletins: IMP. 138.1-1/R3.

1138.2. (*Repealed*).

History: 1987, c. 21, s. 92; 1997, c. 3, s. 71; 2003, c. 9, s. 428.

Exempt corporation.

1138.2.1. The paid-up capital, for a taxation year, of a corporation that is an exempt corporation for the year, within the meaning of sections 771.12 and 771.13, shall be reduced by the amount determined by the formula

$$A \times B \times C.$$

Interpretation.

In the formula in the first paragraph,

(a) A is,

i. if the corporation’s taxation year includes the first or last day of its eligibility period, within the meaning of section 771.1, or part of the year is excluded from that eligibility period because of the application of the fourth paragraph of section 771.1, the proportion that the number of days in the year included in that eligibility period is of the number of days in the year, and

ii. in any other case, 1;

(b) B is

i. 75%, if the corporation is referred to in subparagraph iii of paragraph a of section 771.12 and any of the conditions mentioned in subparagraphs 1 and 2 of subparagraph i of subparagraph b of the second paragraph of section 771.8.5 is met in its respect, and

ii. 100%, in any other case; and

(c) C is the corporation’s paid-up capital for that year, computed before the application of this section.

History: 1997, c. 85, s. 316; 1999, c. 83, s. 266; 2000, c. 39, s. 254; 2005, c. 23, s. 259; 2007, c. 12, s. 287.

Major investment project.

1138.2.2. A corporation that carries on, in a taxation year, a recognized business in connection with which a major investment project was carried out or is in the process of being carried out, or is a member of a partnership that carries on, in a fiscal period of the partnership that ends in the year, such a recognized business, may deduct from its paid-up capital otherwise determined for the year under this Title, the aggregate of all amounts each of which is, in relation to a particular major investment project of the corporation or partnership, the proportion of the amount that would be the corporation’s paid-up capital otherwise determined for the year under this Title if such capital were established on the sole basis of the financial statements referred to in subparagraph c or d of the second paragraph in relation to the particular major investment project, that the number of days in the eligibility period of the corporation for the year or of the partnership for the fiscal period, as the case may be, in relation to the particular major investment project, is of the number of days in the taxation year or fiscal period, as the case may be.

Documents to be filed.

However, a deduction is allowed under the first paragraph for a taxation year in respect of a major investment project of the corporation or partnership, only if the corporation encloses, with its fiscal return it is required to file under section 1000 for the year, the following documents:

(a) the prescribed form containing the prescribed information;

(b) a copy of the initial qualification certificate issued to the corporation or partnership in relation to the major investment project, and of any annual qualification certificate for the taxation year of the corporation or the fiscal period of the partnership issued in relation to the major investment project;

(c) where the recognized business is carried on by the corporation, the financial statements of the corporation prepared in accordance with generally accepted accounting principles but pertaining only to the eligible activities of the corporation, in relation to the major investment project, and, if applicable, the financial statements of a joint venture in

which the corporation has an interest, prepared in accordance with those principles but pertaining only to the activities carried on by the joint venture that would be eligible activities of a corporation, in relation to the major investment project, if the joint venture were a corporation; and

(d) where the recognized business is carried on by the partnership,

i. the financial statements of the partnership prepared in accordance with generally accepted accounting principles but pertaining only to the eligible activities of the partnership, in relation to the major investment project,

ii. if applicable, the financial statements of a joint venture in which the partnership has an interest, prepared in accordance with generally accepted accounting principles but pertaining only to the activities carried on by the joint venture that would be eligible activities of a partnership, in relation to the major investment project, if the joint venture were a partnership, and

iii. the financial statements of the corporation prepared in accordance with generally accepted accounting principles but pertaining only to the elements attributable to the eligible activities of the partnership, in relation to the major investment project, and, where applicable, only to the elements attributable to the activities referred to in subparagraph ii.

Transfer of a business.

For the purposes of subparagraph *b* of the second paragraph, where, at any time, a corporation or partnership acquires from another corporation or partnership all or substantially all of a recognized business, and the Minister of Finance previously authorized the acquisition for the purposes of this Book, the initial qualification certificate issued to the other corporation or partnership, in relation to the major investment project, is deemed to have been issued, from that time, to the corporation or partnership, as the case may be.

Amounts.

The amounts reported in the financial statements referred to in subparagraph *c* or *d* of the second paragraph of the corporation, partnership or joint venture must be the same as the amounts that, in respect of eligible activities, activities or elements attributable to eligible activities or activities referred to in that subparagraph, were taken into account in determining the amounts reported in the financial statements of the corporation, partnership or joint venture, as the case may be, otherwise prepared under this Part.

History: 2002, c. 9, s. 131; 2009, c. 5, s. 560; 2012, c. 8, s. 248.

Interposed partnership.

1138.2.2.1. For the purpose of determining the amount that a corporation may deduct, under section 1138.2.2, from its paid-up capital otherwise determined for a taxation year

under this Title, the following rules apply if one or more other partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between that corporation and a given partnership that carries on a recognized business referred to in that section in any fiscal period of the given partnership:

(a) the corporation is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the corporation’s taxation year in which ends the fiscal period of the interposed partnership of which it is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the corporation is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s fiscal period in which the particular fiscal period ends; and

(b) subparagraph iii of subparagraph *d* of the second paragraph of section 1138.2.2 is to be read as if “the financial statements of the corporation” was replaced by “the financial statements of the corporation and of any other partnership of which the corporation is a member, or deemed to be a member under paragraph *a* of section 1138.2.2.1.”

History: 2009, c. 15, s. 439.

Section 1138.2.2.1 not applicable.

1138.2.2.2. Section 1138.2.2.1 does not apply in respect of a corporation, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the corporation and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the corporation to be able to deduct, under section 1138.2.2, from its paid-up capital otherwise determined for a taxation year under this Title, an amount greater than the amount that the corporation could have so deducted for that taxation year, but for that interposition.

History: 2009, c. 15, s. 439.

Manufacturing or processing business carried on in a resource region.

1138.2.3. A corporation that is a qualified corporation for the year, for the purposes of Title VII.2.4 of Book IV of Part I, may deduct from its paid-up capital otherwise determined for the year under this Title an amount equal to the lesser of the amount determined under section 1138.2.3.1 in respect of the corporation for the year and the amount determined by the formula

$$(75\% \times A) \times \{1 - [(B - \$20,000,000)/\$10,000,000]\} \times (1 - C).$$
Interpretation.

In the formula provided for in the first paragraph,

(a) A is the proportion of the paid-up capital of the corporation for the year, computed before the application of this section, that the number of days in the year that are within the exemption period applicable to the corporation, within the meaning of the first paragraph of section 737.18.18, is of the number of days in the year;

(b) B is the greater of \$20,000,000 and the paid-up capital attributed to the corporation for the year determined in accordance with section 737.18.24; and

(c) C is the corporation's reduction factor for the year, within the meaning assigned by the first paragraph of section 737.18.18.

Filing requirement.

A corporation may deduct an amount of its paid-up capital, under the first paragraph, for a taxation year only if

(a) it encloses the prescribed form containing prescribed information and a copy of the qualification certificate issued to it for the year by Investissement Québec for the purposes of Title VII.2.4 of Book IV of Part I with the fiscal return it is required to file for the year under section 1000; and

(b) where, for the purposes of section 1138.0.1, it would be a qualified corporation, within the meaning of sections 771.5 to 771.7 if that section 771.5 were read without reference to paragraph *e* thereof, it elected irrevocably, in prescribed form, not to be considered as such a qualified corporation.

History: 2002, c. 40, s. 315; 2004, c. 21, s. 493; 2009, c. 5, s. 561; 2010, c. 25, s. 222.

Calculating the amount of the deduction.

1138.2.3.1. The amount to which the first paragraph of section 1138.2.3 refers in respect of a corporation for a taxation year is equal to the product obtained by multiplying the balance of the corporation's tax assistance limit for the year by the reciprocal of the proportion that is the percentage determined in respect of the corporation for the year under section 1132.5 and, if the corporation has an establishment situated outside Québec, by the reciprocal of the proportion that the corporation's business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under section 1133.

Balance of the tax assistance limit.

For the purposes of the first paragraph, the balance of a corporation's tax assistance limit for a taxation year is equal to the amount by which its tax assistance limit for the year,

determined under section 1029.8.36.72.82.1.1, exceeds the aggregate of

(a) the aggregate of the following amounts that is multiplied, if the corporation has an establishment situated outside Québec, by the proportion that its business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771:

i. 8% of the lesser of the amount the corporation deducts in computing its taxable income for the year under section 737.18.26 and the amount by which the amount that would be determined in its respect for the year under section 771.2.1.2 if no reference were made to section 771.2.6 and if, for the purposes of paragraph *b* of section 771.2.1.2, its taxable income for the year were computed without reference to section 737.18.26, exceeds the amount that would be determined in its respect for the year under section 771.2.1.2 if the corporation were to deduct, in computing its taxable income, all of the amount that, but for section 737.18.26.1, would be determined under section 737.18.26, and

ii. 11.9% of the amount by which the amount that the corporation deducts in computing its taxable income for the year under section 737.18.26 exceeds the excess amount determined in subparagraph i;

(b) the amount that the corporation is deemed to have paid to the Minister for the year under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3; and

(c) the amount that would be payable by the corporation as the contribution provided for in section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) in respect of the aggregate of all amounts each of which is an amount, representing a proportion of wages paid or deemed to be paid in the year, for which no contribution is payable by the corporation under the sixth paragraph of section 34 of that Act.

History: 2010, c. 25, s. 223.

Stock exchange or securities clearing-house.

1138.2.4. A corporation that is a qualified corporation for a taxation year, for the purposes of Title VII.2.6 of Book IV of Part I, may deduct from its paid-up capital otherwise determined for the year under this Title, an amount equal to 75% of the aggregate of all amounts each of which is, in relation to a recognized business of the corporation, the proportion of the amount that would be the corporation's paid-up capital otherwise determined for the year under this Title if such capital were established on the sole basis of the financial statements referred to in subparagraph *b* of the second paragraph in relation to the recognized business, that the number of days in the year that are in the exemption

period applicable to the corporation is of the number of days in the year.

Documents to be filed.

However, a deduction is allowed under the first paragraph for a taxation year in respect of a recognized business of the corporation only if the corporation encloses, with the fiscal return it is required to file under section 1000 for the year, the following documents:

(a) the prescribed form containing the prescribed information; and

(b) the financial statements of the corporation prepared in accordance with generally accepted accounting principles but pertaining only to the eligible activities of the corporation's recognized business.

Amounts.

The amounts reported in the financial statements of the corporation, referred to in subparagraph *b* of the second paragraph, must be the same as the amounts that, in respect of eligible activities referred to in that subparagraph, were taken into account in determining the amounts reported in the financial statements of the corporation, otherwise prepared under this Part.

History: 2003, c. 9, s. 429; 2004, c. 21, s. 494.

International financial centre.

1138.2.5. A corporation may deduct from its paid-up capital otherwise determined for a taxation year under this Title the amount provided for in its respect for the year in section 57 of the Act respecting international financial centres (chapter C-8.3).

History: 2005, c. 38, s. 320.

Deduction by manufacturing corporation.

1138.2.6. A manufacturing corporation for a taxation year may deduct from its paid-up capital otherwise determined for the year under this Title, an amount equal to

(a) if the proportion of the manufacturing or processing activities of the corporation for the year is at least 50%, the corporation's paid-up capital for the year, determined before the application of this section; and

(b) if the proportion of the manufacturing or processing activities of the corporation for the year is less than 50%, the amount determined by the formula

$$A \times (B - 20\%) / 30\%.$$

Interpretation.

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

(a) *A* is the corporation's paid-up capital for the year, determined before the application of this section; and

(b) *B* is the proportion of the manufacturing or processing activities of the corporation for the year.

Computation rule.

Any amount otherwise deductible in computing the corporation's paid-up capital for the year under this Title, after the application of section 1138, is to be determined without reference to this section.

History: 2009, c. 15, s. 440.

1138.3. (Repealed).

History: 1990, c. 7, s. 213; 1995, c. 63, s. 246; 1997, c. 3, s. 71; 1997, c. 14, s. 277.

International traffic.

1138.4. The amount to which subsection 1 of section 1138 refers is, in respect of a corporation that throughout a taxation year was not resident in Canada, equal to the value, for that year, of property that is a ship or aircraft operated by the corporation in international traffic, within the meaning of section 1, or is movable property used in its business of transporting persons or goods by ship or aircraft in international traffic, where the property is used by the corporation in, or held by it in the year in the course of, carrying on any business during the year through an establishment in Canada.

Reduction of paid-up capital.

However, the reduction provided for in subsection 1 of section 1138 shall apply in respect of the amount referred to in the first paragraph only if the country in which the corporation is resident imposed neither a capital tax for the year on similar property nor a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.

History: 1993, c. 19, s. 147; 1997, c. 3, s. 71; 2001, c. 7, s. 167; 2009, c. 5, s. 562.

1139. (Repealed).

History: 1972, c. 23, s. 852; 1979, c. 38, s. 27; 1980, c. 13, s. 111.

TITLE II

BANKS, SAVINGS AND CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS AND CORPORATIONS TRADING IN SECURITIES

Paid-up capital of a bank.

1140. In this Part, the paid-up capital of a bank, other than an authorized foreign bank, includes

(a) the paid-up capital stock;

(b) the general reserve and the other reserves and provisions, except those for amortization or depletion, those that are permitted by Part I to the extent that they were deducted in computing income under that Part and those for losses, in respect of a contract of lease or of leasing, that a bank carrying on lease or leasing activities cannot deduct in computing its income under that Part;

(b.1) the future tax liabilities;

(c) the surpluses and the undivided profits;

(d) long-term debt.

History: 1972, c. 23, s. 853; 1979, c. 38, s. 27; 1980, c. 13, s. 113; 1984, c. 35, s. 33; 1991, c. 8, s. 100; 1995, c. 63, s. 247; 2000, c. 39, s. 255; 2002, c. 40, s. 316; 2004, c. 8, s. 207.

Paid-up capital of an authorized foreign bank.

1140.1. In this Part, the paid-up capital of an authorized foreign bank for a taxation year is equal to the aggregate of

(a) 10% of the aggregate of all amounts, each of which is the risk-weighted amount at the end of the year of an on-balance sheet asset of the bank or of an off-balance sheet exposure of the bank in respect of its Canadian banking business that the bank would be required to report under the OSFI risk-weighting guidelines if those guidelines applied and required a report at that time; and

(b) the aggregate of all amounts, each of which is an amount at the end of the year in respect of the bank's Canadian banking business that

i. if the bank were a bank listed in Schedule II to the Bank Act (Statutes of Canada, 1991, chapter 46), would be required under the risk-based capital adequacy guidelines issued by the Superintendent of Financial Institutions of Canada and applicable at that time to be deducted from the bank's capital in determining the amount of capital available to satisfy the Superintendent's requirement that capital equal a particular proportion of risk-weighted assets and exposures, and

ii. is not an amount in respect of a loss protection facility required to be deducted from capital under the guidelines of the Superintendent of Financial Institutions of Canada respecting asset securitization applicable at that time.

History: 2004, c. 8, s. 208.

Corresponding Federal Provision: 181.3(3)(e).

Paid-up capital of a loan corporation or a trust.

1141. In this Part, the paid-up capital of a loan corporation or a trust corporation includes

(a) the paid-up capital stock;

(b) the general reserve and the other reserves and provisions, except those for amortization or depletion, those that are permitted by Part I to the extent that they were deducted in computing income under that Part and those for losses, in respect of a contract of lease or of leasing, that a loan company or a trust company carrying on lease or leasing activities cannot deduct in computing its income under that Part;

(b.1) the future tax liabilities;

(c) the surplus;

(d) long-term debt;

(e) any other debt owing to a corporation to which the corporation is related, other than a corporation referred to in paragraph *a* of section 1132, except a debt contracted or assumed by the corporation within the preceding six months and that is a trade account payable as consideration for the acquisition of a good or the provision of a service, or a tax payable in connection with the acquisition of a good or the provision of a service where the acquisition or provision gave rise to a trade account payable or would give rise to a trade account payable if the consideration for the acquisition or provision were unpaid.

History: 1972, c. 23, s. 854; 1979, c. 38, s. 27; 1980, c. 13, s. 113; 1991, c. 8, s. 101; 1995, c. 63, s. 248; 1997, c. 3, s. 71; 2000, c. 39, s. 256; 2002, c. 40, s. 317.

Interpretation Bulletins: IMP. 1141-1/R/4.

Paid-up capital of a corporation trading in securities.

1141.1. In this Part, the paid-up capital of a corporation trading in securities includes

(a) the paid-up capital stock;

(b) the general reserve and the other reserves and provisions, except those for amortization or depletion, those that are permitted by Part I to the extent that they were deducted in computing income under that Part and those for losses, in respect of a contract of lease or of leasing, that a corporation trading in securities carrying on lease or leasing activities cannot deduct in computing its income under that Part;

(b.1) the future tax liabilities;

(c) the subordinated loans and the other debts whose repayment is subject to the prior approval of an agency empowered to regulate trading in securities;

(d) the surplus;

(e) long-term debt;

(f) any other debt owing to a corporation to which the corporation is related, other than a corporation referred to in paragraph *a* of section 1132, except a debt contracted or

assumed by the corporation within the preceding six months and that is a trade account payable as consideration for the acquisition of a good or the provision of a service, or a tax payable in connection with the acquisition of a good or the provision of a service where the acquisition or provision gave rise to a trade account payable or would give rise to a trade account payable if the consideration for the acquisition or provision were unpaid.

History: 1980, c. 13, s. 113; 1991, c. 8, s. 102; 1995, c. 63, s. 249; 1997, c. 3, s. 71; 2000, c. 39, s. 257; 2002, c. 40, s. 318.

Debt repaid.

1141.10.1. For the purposes of sections 1141 and 1141.1, a debt repaid before the end of the taxation year is deemed to be a debt at the end of that year if it is established that the repayment was made as part of a series of loans and repayments with a view to unduly reducing the paid-up capital.

History: 2002, c. 40, s. 319.

Amounts included in computing paid-up capital.

1141.11. A corporation referred to in any of sections 1140, 1141 and 1141.1 shall also, in computing its paid-up capital for a taxation year, include an amount equal to 50% of the total of all amounts each of which is

(a) the value at the end of the year of an asset of the corporation, other than property held by the corporation primarily for the purpose of resale that was acquired by the corporation in the year or the preceding taxation year, as a consequence of another person's default, or anticipated default, in respect of a debt owed to the corporation, that is corporeal property; and

(b) the corporation's share, in respect of a partnership of which the corporation is a member at the end of the year, of the value of an asset of the partnership, at the end of the partnership's last fiscal period ending at or before the end of the year, that is corporeal property.

Corporation's share.

For the purposes of subparagraph *b* of the first paragraph, the corporation's share of the value of corporeal property of a partnership is equal to the agreed proportion of the value in respect of the corporation for the partnership's fiscal period referred to in that subparagraph *b*.

History: 1986, c. 15, s. 204; 1995, c. 63, s. 250; 1997, c. 3, s. 71; 1999, c. 86, s. 94; 2001, c. 51, s. 226; 2005, c. 1, s. 284; 2005, c. 38, s. 321; 2009, c. 15, s. 441.

Amount to be included.

1141.12. A corporation referred to in section 1140.1 shall also include, in computing its paid-up capital for a taxation year, an amount equal to 50% of the total of all amounts each of which is

(a) the value at the end of the year of an asset of the corporation, other than property held by the corporation primarily for the purpose of resale that was acquired by the corporation in the year or the preceding taxation year, as a consequence of another person's default, or anticipated default, in respect of a debt owed to the corporation, that is corporeal property; or

(b) the corporation's share, in respect of a partnership of which the corporation is a member at the end of the year, of the value of an asset of the partnership, at the end of the partnership's last fiscal period ending at or before the end of the year, that is corporeal property.

Corporation's share.

For the purposes of subparagraph *b* of the first paragraph, the corporation's share of the value of corporeal property of a partnership is equal to the agreed proportion of the value in respect of the corporation for the partnership's fiscal period referred to in that subparagraph *b*.

History: 2005, c. 1, s. 285; 2009, c. 15, s. 442.

Corresponding Federal Provision: 181.3(1)(a) and (b).

Deductions in computing the paid-up capital.

1141.2. A corporation referred to in any of sections 1140, 1141 and 1141.1 may deduct, in computing its paid-up capital, the amount of its deficit.

History: 1980, c. 13, s. 113; 1986, c. 15, s. 204; 1997, c. 3, s. 71; 1999, c. 86, s. 95; 2005, c. 38, s. 322.

1141.2.0.1. (*Repealed*).

History: 2004, c. 8, s. 209; 2005, c. 38, s. 323.

Deductions in computing paid-up capital.

1141.2.1. Every corporation contemplated in section 1140, 1141 or 1141.1 may, in computing its paid-up capital for a taxation year, deduct the aggregate of the following amounts:

(a) the amount of its future tax assets;

(b) the amount determined for the year in respect of the corporation according to the formula

$$A \times C / B.$$

Interpretation.

For the purposes of the formula in subparagraph *b* of the first paragraph:

(a) A is the total of all amounts each of which is the value, at the end of the taxation year, of the asset of the corporation that is

i. a share of the capital stock or the long-term debt of another corporation referred to in this Title to which the corporation is related, or

ii. a subordinated loan or another debt, whose repayment is subject to the prior approval of an agency empowered to regulate trading in securities, of another corporation that is a corporation trading in securities to which the corporation is related;

(b) B is the ratio between the business carried on in Québec by the corporation in the year and the total business carried on by the corporation in Québec and elsewhere in the year;

(c) C is the ratio between the business carried on in Québec by the other corporation in its taxation year ending in the year of the corporation and the total business carried on in Québec and elsewhere by the other corporation in that taxation year.

Interpretation.

In the second paragraph, the ratio between the business carried on in Québec and the total business carried on in Québec and elsewhere in respect of a corporation means the ratio determined by regulation made under subsection 2 of section 771.

History: 1990, c. 7, s. 214; 1995, c. 63, s. 251; 1997, c. 3, s. 71; 1997, c. 14, s. 279; 2000, c. 39, s. 258; 2002, c. 40, s. 320; 2003, c. 9, s. 430.

1141.2.1.1. (Repealed).

History: 1999, c. 86, s. 96; 2005, c. 38, s. 324.

Deduction in computing paid-up capital.

1141.2.1.1.1. Every corporation referred to in section 1140.1 may, in computing its paid-up capital for a taxation year, deduct the amount determined by the formula

$$A \times C / B.$$

Interpretation.

In the formula provided for in the first paragraph,

(a) A is the total of all amounts each of which is the amount, at the end of the taxation year, of an asset of the corporation that the corporation used or held in the year in the course of carrying on its Canadian banking business, determined before the application of risk weights that the corporation would be required to report under the OSFI risk-weighting guidelines if those guidelines applied and required such report at the end of the year and that is a share of the capital stock or the long-term debt of another corporation referred to in this Title to which the corporation is related;

(b) B is the proportion that the business carried on in Québec by the corporation in the year is of the total business

carried on in Québec and elsewhere by the corporation in the year; and

(c) C is the proportion that the business carried on in Québec by the other corporation in its taxation year ending in the year of the corporation is of the total business carried on in Québec and elsewhere by the other corporation in that taxation year.

Interpretation.

In the second paragraph, the proportion that the business carried on in Québec is of the total business carried on in Québec and elsewhere in respect of a corporation is the proportion determined in accordance with the regulations made under subsection 2 of section 771.

History: 2004, c. 8, s. 210.

Corresponding Federal Provision: 181.3(4)(c).

1141.2.1.1.2. (Repealed).

History: 2004, c. 8, s. 210; 2005, c. 38, s. 325.

1141.2.1.2. (Repealed).

History: 2002, c. 40, s. 321; 2005, c. 38, s. 325.

Computation of paid-up capital.

1141.2.2. In this Part, the paid-up capital of a savings and credit union includes

(a) permanent shares, any participating interest in the nature of a permanent share and any other capital share that are issued and that are not held by another savings and credit union; and

(b) the long-term debt used to compute the ratio of its capital base in accordance with the Savings and Credit Unions Act (chapter C-4.1) and the Regulation respecting the capital base of savings and credit union federations and credit unions not affiliated with a federation (Order in Council 1221-91, as amended) as they read on 30 June 2001.

History: 1997, c. 14, s. 280; 2000, c. 29, s. 657; O.C. 690-2001; 2004, c. 21, s. 495.

Amounts included in computing paid-up capital.

1141.2.3. A savings and credit union shall also include, in computing its paid-up capital for a taxation year, an amount equal to 50% of the total of all amounts each of which is the value at the end of the year of an asset of the savings and credit union, other than property held by the savings and credit union primarily for the purpose of resale that was acquired by it in the year or in the preceding taxation year as a consequence of another person's default, or anticipated default, in respect of a debt owed to the savings and credit union, that is corporeal property.

History: 1997, c. 14, s. 280; 2004, c. 21, s. 496; 2005, c. 1, s. 286.

1141.2.4. *(Repealed).*

History: 1997, c. 14, s. 280; 1999, c. 86, s. 97; 2004, c. 21, s. 497; 2005, c. 38, s. 326.

Deduction in computing the paid-up capital.

1141.3. A corporation referred to in this Title that is a qualified corporation, within the meaning of sections 771.5 to 771.7, for a taxation year may deduct in computing its paid-up capital for that year an amount equal to 75% of the lesser of

(a) its paid-up capital for the year, computed without reference to this section and sections 1141.8 to 1141.11, minus the amount that, where applicable, could be deducted from the paid-up capital of the corporation for the year under section 1141.9, 1141.10 or 1141.11, as the case may be, if “75% of the amount” in the first paragraph of section 57 of the Act respecting international financial centres (chapter C-8.3) were replaced by “the amount”, and if “75% of the product” in the first paragraph of section 57.1 of that Act were replaced by “the product”; and

(b) \$3,000,000.

Exception.

Notwithstanding the first paragraph, the amount deductible by such a corporation in computing its paid-up capital under this section, for its taxation year that includes the last day of its exemption period, within the meaning of the first paragraph of section 771.1, is equal to such proportion of the amount that, but for this paragraph, would be determined under the first paragraph that the number of days in the year included in that exemption period is of the number of days in the year.

History: 1987, c. 21, s. 93; 1993, c. 64, s. 196; 1995, c. 63, s. 252; 1997, c. 3, s. 71; 1997, c. 85, s. 317; 2000, c. 39, s. 259; 2004, c. 21, s. 498; 2005, c. 38, s. 327.

1141.4. *(Repealed).*

History: 1999, c. 83, s. 267; 2004, c. 8, s. 211; 2004, c. 21, s. 499.

1141.5. *(Repealed).*

History: 1999, c. 83, s. 267; 2004, c. 21, s. 499.

1141.6. *(Repealed).*

History: 1999, c. 83, s. 267; 2003, c. 9, s. 431; 2004, c. 21, s. 499.

1141.7. *(Repealed).*

History: 1999, c. 83, s. 267; 2003, c. 9, s. 432; 2004, c. 21, s. 499.

Major investment project.

1141.8. A corporation that carries on, in a taxation year, a recognized business in connection with which a major investment project was carried out or is in the process of

being carried out, or is a member of a partnership that carries on, in a fiscal period of the partnership that ends in the year, such a recognized business, may deduct from its paid-up capital otherwise determined for the year under this Title, the aggregate of all amounts each of which is, in relation to a particular major investment project of the corporation or partnership, the proportion of the amount that would be the corporation’s paid-up capital otherwise determined for the year under this Title if such capital were established on the sole basis of the financial statements referred to in subparagraph *c* or *d* of the second paragraph in relation to the particular major investment project, that the number of days in the eligibility period of the corporation for the year or of the partnership for the fiscal period, as the case may be, in relation to the particular major investment project, is of the number of days in the taxation year or fiscal period, as the case may be.

Documents to be filed.

However, a deduction is allowed under the first paragraph for a taxation year in respect of a major investment project of the corporation or partnership, only if the corporation encloses, with its fiscal return it is required to file under section 1000 for the year, the following documents:

(a) the prescribed form containing the prescribed information;

(b) a copy of the initial qualification certificate issued to the corporation or partnership in relation to the major investment project, and of any annual qualification certificate for the taxation year of the corporation or the fiscal period of the partnership issued in relation to the major investment project;

(c) where the recognized business is carried on by the corporation, the financial statements of the corporation prepared in accordance with generally accepted accounting principles but pertaining only to the eligible activities of the corporation, in relation to the major investment project; and

(d) where the recognized business is carried on by the partnership, the financial statements of the partnership prepared in accordance with generally accepted accounting principles but pertaining only to the eligible activities of the partnership, in relation to the major investment project, and the financial statements of the corporation prepared in accordance with those principles but pertaining only to the elements attributable to eligible activities of the partnership, in relation to the major investment project.

Transfer of a business.

For the purposes of subparagraph *b* of the second paragraph, where, at any time, a corporation or partnership acquires from another corporation or partnership all or substantially all of a recognized business, and the Minister of Finance previously authorized the acquisition for the purposes of this Book, the initial qualification certificate issued to the other corporation or partnership, in relation to the major

investment project, is deemed to be issued, from that time, to the corporation or partnership, as the case may be.

Amounts.

The amounts reported in the financial statements referred to in subparagraph *c* or *d* of the second paragraph of the corporation or partnership must be the same as the amounts that, in respect of eligible activities or elements attributable to eligible activities referred to in that subparagraph, were taken into account in determining the amounts reported in the financial statements of the corporation or partnership, as the case may be, otherwise prepared under this Part.

History: 2002, c. 9, s. 132; 2012, c. 8, s. 249.

Interposed partnership.

1141.8.1. For the purpose of determining the amount that a corporation may deduct, under section 1141.8, from its paid-up capital otherwise determined for a taxation year under this Title, the following rules apply if one or more other partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between that corporation and a given partnership that carries on a recognized business referred to in that section in any fiscal period of the given partnership:

(a) the corporation is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the corporation’s taxation year in which ends the fiscal period of the interposed partnership of which it is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the corporation is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph *i* at the end of the interposed partnership’s fiscal period in which the particular fiscal period ends; and

(b) subparagraph *d* of the second paragraph of section 1141.8 is to be read as if “and the financial statements of the corporation” was replaced by “and the financial statements of the corporation and of any other partnership of which the corporation is a member, or deemed to be a member under paragraph *a* of section 1141.8.1.”

History: 2009, c. 15, s. 443.

Section 1141.8.1 not applicable.

1141.8.2. Section 1141.8.1 does not apply in respect of a corporation, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the corporation and the given partnership, of one or more other partnerships is part of an operation or transaction or of a

series of operations or transactions, one of the purposes of which is to cause the corporation to be able to deduct, under section 1141.8, from its paid-up capital otherwise determined for a taxation year under this Title, an amount greater than the amount that the corporation could have so deducted for that taxation year, but for that interposition.

History: 2009, c. 15, s. 443.

International financial centre of a bank other than an authorized foreign bank.

1141.9. A corporation referred to in section 1140 may deduct from its paid-up capital otherwise determined for a taxation year under this Title the amount provided for in its respect for the year in section 57 or 60.1 of the Act respecting international financial centres (chapter C-8.3).

History: 2005, c. 38, s. 328.

International financial centre of an authorized foreign bank.

1141.10. A corporation referred to in section 1140.1 may deduct from its paid-up capital otherwise determined for a taxation year under this Title the amount provided for in its respect for the year in section 57.1 of the Act respecting international financial centres (chapter C-8.3).

History: 2005, c. 38, s. 328.

International financial centre of a financial institution other than a bank.

1141.11. A corporation referred to in any of sections 1141, 1141.1 and 1141.2.2 may deduct from its paid-up capital otherwise determined for a taxation year under this Title the amount provided for in its respect for the year in section 57 of the Act respecting international financial centres (chapter C-8.3).

History: 2005, c. 38, s. 328.

BOOK IV MISCELLANEOUS PROVISIONS

Corporation having an interest in a partnership or joint venture.

1142. For the purposes of this Part, a corporation must file the financial statements of a partnership or joint venture in which it has an interest with respect to the fiscal period the end of which coincides with that of the fiscal period of the corporation or, as the case may be, which immediately precedes it.

History: 1972, c. 23, s. 855; 1979, c. 38, s. 27; 1997, c. 3, s. 71.

Corporation exempt from capital tax.

1143. A corporation is exempt from capital tax where a corporation is

(a) a corporation, other than a prescribed corporation, that is exempt from tax under sections 980 to 996 or 998 and 998.1; or

(b) a corporation whose property is deemed to be the property of an *inter vivos* trust referred to in section 851.25.

Other exempt corporations.

The same applies to a security fund belonging to the group of the Fédération des caisses Desjardins du Québec established under the Act respecting financial services cooperatives (chapter C-67.3), and to Aéroports de Montréal, a corporation incorporated under Part II of the Canada Corporations Act (Revised Statutes of Canada, 1970, chapter C-32), if the requirements of paragraphs *a* and *b* of subsection 1 of section 8 of the Airport Transfer (Miscellaneous Matters) Act (Statutes of Canada, 1992, chapter 5) are met in respect of the latter corporation for the taxation year.

Restriction.

However, a corporation withdrawn by section 192 from the application of section 985 is not exempt from tax.

Restriction.

Furthermore, a corporation that is a charity within the meaning of section 1, or whose property is deemed to be the property of an *inter vivos* trust contemplated in section 851.25, and that is exempt from tax under the first paragraph, must nevertheless pay the tax on its paid-up capital which pertains to a business carried on by it.

History: 1972, c. 23, s. 856; 1979, c. 38, s. 27; 1981, c. 12, s. 15; 1995, c. 49, s. 236; 1997, c. 3, s. 71; 1997, c. 14, s. 281; 1999, c. 83, s. 268; 2000, c. 5, s. 291; 2000, c. 29, s. 658; O.C. 690-2001.

Exception.

1143.0.1. No prescribed corporation for the purposes of subparagraph *a* of the first paragraph of section 1143 may deduct an amount under section 1138.2.2, 1138.2.4 or 1141.8.

Special case.

However, the first paragraph does not apply in respect of a deduction provided for in section 1138.2.2 or 1141.8 in relation to a major investment project in respect of which an application to obtain that deduction, accompanied by the required documents, was sent to the Minister of Finance before 11 March 2003.

History: 2005, c. 1, s. 287.

Recognition of a corporation as a loan corporation.

1143.1. The Minister may, where a corporation applies therefor in writing, recognize a corporation as a loan

corporation from the date or the taxation year, as the case may be, indicated by the Minister in a letter sent to the corporation.

History: 1997, c. 85, s. 318.

Revocation of recognition.

1143.2. The Minister may revoke the recognition of a corporation as a loan corporation if the Minister considers that the conditions determined by the Minister to maintain the recognition are no longer met by the corporation, or if the corporation makes a request that the recognition be revoked.

Date of revocation.

The revocation takes effect from the date or the taxation year, as the case may be, indicated by the Minister in the notice sent to the corporation by the Minister.

History: 1997, c. 85, s. 318.

Regulations.

1144. The Government may make regulations

(a) exempting from capital tax, on the conditions prescribed by it, any corporation in the process of winding-up or under sequestration, any inactive corporation, or any corporation incorporated for cultural or agricultural purposes or for drainage or water supply purposes;

(b) determining what constitutes an investment;

(c) determining the paid-up capital of a corporation that is not resident in Canada;

(d) prescribing the measures required for the application of this Part.

History: 1972, c. 23, s. 857; 1979, c. 38, s. 27; 1997, c. 3, s. 71; 1997, c. 31, s. 138.

Provisions applicable.

1145. Except where inconsistent with this Part, sections 6 and 17 to 21, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549 and sections 1000 to 1027.5 and 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1972, c. 23, s. 858; 1979, c. 38, s. 27; 1985, c. 25, s. 164; 1993, c. 64, s. 197; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 1997, c. 14, s. 282; 2005, c. 1, s. 288; 2006, c. 13, s. 220; 2009, c. 15, s. 444.

BOOK V
(Repealed).

TITLE I
(Repealed).

1146. (Repealed).

History: 1972, c. 23, s. 859; 1979, c. 38, s. 27.

1147. (Repealed).

History: 1972, c. 23, s. 860; 1979, c. 38, s. 27.

1148. (Repealed).

History: 1972, c. 23, s. 861; 1979, c. 38, s. 27.

1149. (Repealed).

History: 1972, c. 23, s. 862; 1979, c. 38, s. 27.

1150. (Repealed).

History: 1972, c. 23, s. 863; 1979, c. 38, s. 27.

1151. (Repealed).

History: 1972, c. 23, s. 864; 1979, c. 38, s. 27.

1152. (Repealed).

History: 1972, c. 23, s. 865; 1979, c. 38, s. 27.

1153. (Repealed).

History: 1972, c. 23, s. 866; 1979, c. 38, s. 27.

1154. (Repealed).

History: 1972, c. 23, s. 867; 1979, c. 38, s. 27.

TITLE II
(Repealed).

1155. (Repealed).

History: 1972, c. 23, s. 868; 1979, c. 38, s. 27.

1156. (Repealed).

History: 1972, c. 23, s. 869; 1979, c. 38, s. 27.

BOOK VI
(Repealed).

1157. (Repealed).

History: 1972, c. 23, s. 870; 1974, c. 18, s. 44; 1979, c. 38, s. 27.

1158. (Repealed).

History: 1972, c. 23, s. 871; 1974, c. 18, s. 45; 1979, c. 38, s. 27.

1159. (Repealed).

History: 1972, c. 26, s. 82; 1979, c. 38, s. 27.

PART IV.1
COMPENSATION TAX FOR FINANCIAL INSTITUTIONS

BOOK I
INTERPRETATION

Definitions:

1159.1. In this Part, unless the context indicates otherwise,

“amount paid as wages”;

“amount paid as wages” means the aggregate of all amounts each of which is wages paid by a financial institution to an employee who reports for work at its establishment in Québec, that it is deemed to pay to the employee or that it pays in respect of the employee, or to an employee to whom those wages, if the employee is not required to report for work at an establishment of the financial institution, are paid, deemed to be paid or paid in respect of the employee from such an establishment in Québec;

“bank”;

“bank” means a bank, within the meaning of section 1, that has an establishment in Québec in a taxation year;

“base wages”;

“base wages” means the aggregate of all amounts each of which is an amount paid by a person, in respect of an individual, to a trustee or custodian under a profit sharing plan, an employee trust or an employee benefit plan, within the meaning assigned to those expressions by section 1, and

(a) any amount, other than an amount described in section 1159.1.0.1, that is paid, allocated, granted or awarded by the person and that is included under Chapters I and II of Title II of Book III of Part I, except the second paragraph of section 39.6 and section 58.0.1, as it read before being repealed, in computing the individual’s income from an office or employment or that would be included in computing that income if the individual were subject to tax under Part I; and

(b) any amount that the person is deemed to pay to the individual under section 1019.7 or 1159.1.0.2;

“corporation trading in securities”;

“corporation trading in securities” means a corporation that is a registered securities dealer within the meaning of section 1 and that has an establishment in Québec in a taxation year;

“employee”;

“employee” has the meaning assigned by section 1;

“establishment”;

“establishment” has the meaning assigned by section 1;

“financial institution”;

“financial institution” means a financial institution referred to in paragraph *a* of subsection 1 of section 149 of the Excise

Tax Act (Revised Statutes of Canada, 1985, chapter E-15), with the exception of

(a) a corporation established under the Canada Deposit Insurance Corporation Act (Revised Statutes of Canada, 1985, chapter C-3),

(b) a State body or corporation mentioned in Schedules A and B to the Reciprocal Taxation Memorandum of Agreement/Canada-Québec entered into on 21 December 1990, and

(c) a body or corporation of Her Majesty in right of Canada that is not mentioned in Schedule I to the Federal-Provincial Fiscal Arrangements Act (Revised Statutes of Canada, 1985, chapter F-8);

“financial service”;

“financial service” has the meaning assigned by section 123 of the Excise Tax Act;

“insurance corporation”;

“insurance corporation” means an insurance corporation within the meaning of section 1166 that is liable to pay tax under Part VI;

“legal representative”;

“legal representative” has the meaning assigned by section 1;

“loan corporation”;

“loan corporation” means a corporation that has an establishment in Québec in a taxation year and that is

(a) a corporation, other than a trust corporation, authorized by the legislation of Canada or of a province to accept deposits from the public;

(b) a corporation all or substantially all of the assets of which are shares or debts of corporations referred to in Title II of Book III of Part IV to which it is related for the purposes of that Part; or

(c) a corporation recognized by the Minister in accordance with section 1143.1 and whose recognition is in force;

“maximum amount subject to tax”;

“maximum amount subject to tax” of a person for a taxation year means, subject to sections 1159.1.0.0.1 and 1159.1.0.0.2,

(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, \$1,100,000,000;

(b) in the case of a savings and credit union, \$550,000,000; and

(c) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* of the first paragraph of section 1159.3 and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, \$275,000,000;

“person”;

“person” has the meaning assigned by section 123 of the Excise Tax Act;

“professional order”;

“professional order” has the meaning assigned by section 1 of the Professional Code (chapter C-26);

“savings and credit union”;

“savings and credit union” has the meaning assigned by section 797;

“supply”;

“supply” has the meaning assigned by section 123 of the Excise Tax Act;

“taxation year”;

“taxation year” has the meaning assigned by Part I and, in the case of a person other than a person within the meaning of Part I, means a calendar year;

“trust corporation”;

“trust corporation” means a corporation that is authorized under the legislation of Canada or of a province to provide trustee services and that has an establishment in Québec in a taxation year;

“wages”.

“wages” means base wages, except wages paid by a financial institution to a person who is, within the meaning of an agreement on social security that provides for the reciprocal coverage of health insurance plans, entered into between the Gouvernement du Québec and the government of a foreign country, a worker on secondment, for the period in which the person is such a seconded worker, if under the agreement the person is subject only to the legislation of the foreign country to which the reciprocal coverage applies.

History: 1993, c. 19, s. 148; 1995, c. 63, s. 253; 1997, c. 3, s. 67; 1997, c. 14, s. 290; 1998, c. 16, s. 247; 1999, c. 89, s. 53; O.C. 149-2000; 2000, c. 5, s. 292; 2002, c. 40, s. 322; 2005, c. 38, s. 329; 2007, c. 12, s. 304; 2011, c. 1, s. 109; 2011, c. 34, s. 118; 2012, c. 8, s. 250; 2013, c. 10, s. 174; 2015, c. 21, s. 528; 2019, c. 14, s. 455.

Maximum amount subject to tax.

1159.1.0.0.1. For the purposes of the definition of “maximum amount subject to tax” in section 1159.1, the following rules apply:

(a) a person’s maximum amount subject to tax for the person’s taxation year that includes 1 April 2018 is equal to the proportion of the person’s maximum amount subject to tax for the year otherwise determined that the number of days in the taxation year that follow 31 March 2018 is of 365; and

(b) a person’s maximum amount subject to tax for the person’s taxation year that includes 31 March 2024 is equal to the proportion of the person’s maximum amount subject to

tax for the year otherwise determined that the number of days in the taxation year that precede 1 April 2024 is of 365.

History: 2019, c. 14, s. 456.

Taxation year less than 365 days.

1159.1.0.0.2. For the purposes of the definition of “maximum amount subject to tax” in section 1159.1, a person’s maximum amount subject to tax for a taxation year that has less than 365 days (other than a taxation year of the person that includes 1 April 2018 or 31 March 2024) is equal to the proportion of the person’s maximum amount subject to tax for the year otherwise determined that the number of days in the taxation year is of 365.

History: 2019, c. 14, s. 456.

Anti-avoidance.

1159.1.0.0.3. For the purposes of this Part, where a particular financial institution pays, at a particular time in a taxation year, wages to an employee while the employee renders services to another financial institution in an establishment of the other financial institution situated in Québec, where the services rendered by the employee to the other financial institution are rendered as part of the regular and ongoing activities of the other financial institution and are of the same type as services rendered by employees of the other financial institution, where the particular financial institution is not dealing at arm’s length with the other financial institution at the particular time and where it may reasonably be considered that the wages are paid in order to allow the particular financial institution to reach more quickly the maximum amount subject to tax determined in its respect for the taxation year, the following rules apply:

(a) the wages paid by the particular financial institution to the employee are deemed to be wages paid by the other financial institution at the particular time; and

(b) the wages deemed to be paid by the other financial institution are deemed not to have been paid by the particular financial institution.

History: 2019, c. 14, s. 456.

Excluded amount.

1159.1.0.1. The amount to which paragraph *a* of the definition of “base wages” in section 1159.1 refers is

(a) an amount equal to the value of the benefit that is received or enjoyed by the individual referred to in that paragraph *a* because of, or in the course of, the individual’s office or employment, and that is derived from the amount paid by the person referred to in that paragraph *a* to obtain, for the benefit of the individual and after 31 December 2012, a share, within the meaning of section 1, referred to in paragraph *a* or *b* of section 776.1.1; or

(b) hourly, half-day or full-day fees that the individual referred to in that paragraph *a* receives as

i. a member, appointed by the Government, of a commission, including a public inquiry commission, an evaluation committee, a committee or panel of experts or a working group created for a definite period of time, or

ii. a member of a candidate selection or review committee formed for that purpose under an Act of Québec.

History: 2013, c. 10, s. 175; 2015, c. 24, s. 158.

Amount deemed paid.

1159.1.0.2. A particular person is deemed to pay to an individual who is referred to in paragraph *a* of the definition of “base wages” in section 1159.1, and who is the particular person’s employee, any particular amount that is described in that paragraph *a* and is paid, allocated, granted or awarded to the individual because of, or in the course of, the individual’s office or employment by a person who is not dealing at arm’s length with the particular person, unless the particular amount would not be required to be included in computing the individual’s income under Chapters I and II of Book III of Part I if it were paid, allocated, granted or awarded, as the case may be, to the individual by the particular person.

History: 2015, c. 21, s. 529.

Applicable rules.

1159.1.1. For the purposes of the definition of “amount paid as wages” in section 1159.1,

(a) an employee who reports for work at an establishment of the financial institution that pays his wages,

i. in respect of wages that are not described in subparagraph ii, means an employee who reports for work at that establishment for his regular pay period to which the wages relate, and

ii. in respect of wages that are paid as a premium, an increase with retroactive effect or a vacation pay, that are paid to a trustee or custodian in respect of the employee or that do not relate to a regular pay period of the employee, means an employee who ordinarily reports for work at that establishment;

(b) where, during a regular pay period of an employee, the employee reports for work at an establishment of the financial institution situated in Québec and at an establishment of the financial institution situated outside Québec, the employee is deemed for that period, in respect of wages that are not described in subparagraph ii of paragraph *a*,

i. except where subparagraph ii applies, to report for work only at the establishment situated in Québec, and

ii. to report for work only at the establishment situated outside Québec where, during that period, he reports for work mainly at such an establishment of the financial institution; and

(c) where an employee ordinarily reports for work at an establishment of the financial institution situated in Québec and at an establishment of the financial institution situated outside Québec, the employee is deemed, in respect of the wages described in subparagraph ii of paragraph *a*, to report for work only at the establishment situated in Québec.

History: 1997, c. 14, s. 284; 2005, c. 38, s. 330.

Interpretation.

1159.1.2. For the purposes of this Part, a reference to wages that a financial institution pays or has paid is a reference to wages that the financial institution pays, allocates, grants or awards or has paid, allocated, granted or awarded.

History: 2005, c. 38, s. 331.

BOOK II LIABILITY FOR AND AMOUNT OF THE TAX

Compensation tax.

1159.2. Every person that is a financial institution at any time in a taxation year that begins before 1 April 2024 shall pay a compensation tax for that year.

History: 1993, c. 19, s. 148; 2015, c. 21, s. 530; 2017, c. 29, s. 218.

Computation.

1159.3. Subject to the first paragraph of sections 1159.3.1 to 1159.3.4, the compensation tax a person referred to in section 1159.2 is required to pay for a taxation year is equal to,

(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 0.25% of its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, and

ii. 2% of the amount paid as wages in the year;

(b) in the case of an insurance corporation, the aggregate of

i. 0.35% of any premium payable in respect of which tax is to be paid in the year under Book II of Part VI, without reference to subparagraph *b* of the third paragraph of section 1167 and section 1170.1, and

ii. 0.35% of any taxable premium that is paid in respect of which tax is to be paid in the year under Book III of Part VI;

iii. (subparagraph repealed);

(c) in the case of a savings and credit union, subject to subparagraph *d*, 2.5% of the amount paid as wages in the year;

(d) in the case of a person referred to in either of subparagraphs *a* and *c* that is also an insurance corporation, the aggregate of

i. the amount otherwise determined in the person's respect under subparagraph *a* or *c*, as the case may be, and

ii. 0.35% of any taxable premium that is paid in respect of which tax is to be paid in the year under Book III of Part VI;

(d.1) in the case of a professional order that has set up an insurance fund, in accordance with section 86.1 of the Professional Code (chapter C-26), 0.35% of the amount established for the year in respect of the insurance fund in accordance with section 85.2 of that Code;

(e) in the case of any other person, 1% of the amount paid as wages in the year.

Financial institution for part of a year.

However, subject to the second paragraph of sections 1159.3.1 to 1159.3.4, if a person is not a financial institution throughout its taxation year, the compensation tax the person is required to pay for the year is equal to,

(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 0.25% of the product obtained by multiplying its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, by the proportion that the number of days in its taxation year during which it was a financial institution is of the number of days in its taxation year, and

ii. 2% of the amount paid as wages during the part or parts of the year, as the case may be, during which the person was a financial institution;

(b) in the case of an insurance corporation, the aggregate of

i. 0.35% of the product obtained by multiplying any premium payable in respect of which tax is to be paid in the year under Book II of Part VI, without reference to subparagraph *b* of the third paragraph of section 1167 and section 1170.1, by the proportion that the number of days in its taxation year during which it was a financial institution is of the number of days in its taxation year, and

ii. 0.35% of the product obtained by multiplying any taxable premium that is paid in respect of which tax is to be paid in the year under Book III of Part VI by the ratio between the

number of days in its taxation year during which it was a financial institution and the number of days in its taxation year;

iii. *(subparagraph repealed)*;

(c) in the case of a savings and credit union, subject to subparagraph *d*, 2.5% of the amount paid as wages during the part or parts of the year, as the case may be, during which the person was a financial institution;

(d) in the case of a person referred to in either of subparagraphs *a* and *c* that is also an insurance corporation, the aggregate of

i. the amount otherwise determined in its respect under subparagraph *a* or *c*, as the case may be, and

ii. 0.35% of the product obtained by multiplying the amount of any taxable premium that is paid in respect of which tax is to be paid in the year under Book III of Part VI by the ratio between the number of days in its taxation year during which it was a financial institution and the number of days in its taxation year;

(e) in the case of any other person, except a professional order that has set up an insurance fund, in accordance with section 86.1 of the Professional Code, 1% of the amount paid as wages during the part or parts of the year, as the case may be, during which the person was a financial institution.

Financial institution for part of a year.

For the purposes of the second paragraph, where a person is a financial institution, with the exception of a corporation that is deemed to be a financial institution by reason of an election made by it under section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), at any time in its taxation year, it is deemed to be such an institution throughout the period commencing at that time and ending on the last day of its taxation year.

History: 1993, c. 19, s. 148; 1995, c. 63, s. 254; 1997, c. 3, s. 71; 1999, c. 83, s. 269; 2002, c. 9, s. 133; 2003, c. 2, s. 296; 2004, c. 21, s. 500; 2005, c. 38, s. 332; 2008, c. 11, s. 186; O.C. 938-2008; 2011, c. 1, s. 110; 2015, c. 21, s. 531.

Temporary rate increase.

1159.3.1. If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends before 1 January 2013 and is included, in whole or in part, in the period beginning on 31 March 2010 and ending on 31 December 2012 (in this section referred to as the “rate increase period”), the following rules apply:

(a) subparagraph ii of subparagraph *a* of the first paragraph of section 1159.3 is to be read as follows:

“ii. the aggregate of 3.9% of the amount paid as wages in the part of the year that is included in the rate increase period and 2% of the amount paid as wages in the part of the year that is not included in that period;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b*, in subparagraph *ii* of subparagraph *d* and in subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.55% that the number of days in the taxation year that are included in the rate increase period is of the number of days in the taxation year, and

ii. the proportion of 0.35% that the number of days in the taxation year that are not included in the rate increase period is of the number of days in the taxation year;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.8% of the amount paid as wages in the part of the year that is included in the rate increase period and 2.5% of the amount paid as wages in the part of the year that is not included in that period;” and

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of any other person, the aggregate of 1.5% of the amount paid as wages in the part of the year that is included in the rate increase period and 1% of the amount paid as wages in the part of the year that is not included in that period.”.

Financial institution for part of a year.

If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends before 1 January 2013 and is included, in whole or in part, in the rate increase period, the following rules apply:

(a) subparagraph *ii* of subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“ii. the aggregate of 3.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the rate increase period and 2% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are not included in that period;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b* and in subparagraph *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.55% that the number of days in the taxation year, included in the rate increase period, during which the person was a financial institution is of the number of days in the taxation year during which the person was a financial institution, and

ii. the proportion of 0.35% that the number of days in the taxation year, not included in the rate increase period, during which the person was a financial institution is of the number of days in the taxation year during which the person was a financial institution;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the rate increase period and 2% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are not included in that period;” and

(d) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of any other person, except a professional order that has set up an insurance fund, in accordance with section 86.1 of the Professional Code (chapter C-26), the aggregate of 1.5% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the rate increase period and 1% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are not included in that period.”

History: 2011, c. 1, s. 111; 2015, c. 21, s. 532.

Temporary contribution.

1159.3.2. If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 December 2012 and before 3 December 2014, the following rules apply:

(a) subparagraphs i and ii of subparagraph *a* of the first paragraph of section 1159.3 are to be read as follows:

“i. the proportion of 0.25% of its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, that the number of days in its taxation year that precede 1 January 2013 is of the number of days in its taxation year, and

“ii. the aggregate of 2.8% of the amount paid as wages in the part of the year that follows 31 December 2012 and 3.9%

of the amount paid as wages in the part of the year that precedes 1 January 2013;”;

(b) the rate mentioned in subparagraphs i and ii of subparagraph *b*, subparagraph ii of subparagraph *d* and subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year that follow 31 December 2012 is of the number of days in the taxation year, and

ii. the proportion of 0.55% that the number of days in the taxation year that precede 1 January 2013 is of the number of days in the taxation year;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 2.2% of the amount paid as wages in the part of the year that follows 31 December 2012 and 3.8% of the amount paid as wages in the part of the year that precedes 1 January 2013;”;

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of 0.9% of the amount paid as wages in the part of the year during which the election was in effect and that follows 31 December 2012 and 1.5% of the amount paid as wages in the part of the year that precedes 1 January 2013;” and

(e) the first paragraph of section 1159.3 is to be read as if the following subparagraph were added after subparagraph *e*:

“(f) in the case of any other person, 1.5% of the amount paid as wages in the part of the year that precedes 1 January 2013.”.

Financial institution for part of a year.

If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 31 December 2012 and before 3 December 2014, the following rules apply:

(a) subparagraphs i and ii of subparagraph *a* of the second paragraph of section 1159.3 are to be read as follows:

“i. the proportion of 0.25% of its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, that the number of days in its taxation year during which it

was a financial institution that precede 1 January 2013 is of the number of days in its taxation year, and

“ii. the aggregate of 2.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 December 2012 and 3.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 January 2013;”;

(b) the rate mentioned in subparagraphs i and ii of subparagraph b and subparagraph ii of subparagraph d of the second paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year during which the person was a financial institution that follow 31 December 2012 is of the number of days in the taxation year during which the person was a financial institution, and

ii. the proportion of 0.55% that the number of days in the taxation year during which the person was a financial institution that precede 1 January 2013 is of the number of days in the taxation year during which the person was a financial institution;

(c) subparagraph c of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph d, the aggregate of 2.2% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 December 2012 and 3.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 January 2013;”;

(d) subparagraph e of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs a to d and who made, with a person referred to in any of subparagraphs a to d.1 of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect and that follow 31 December 2012 and 1.5% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 January 2013;” and

(e) the second paragraph of section 1159.3 is to be read as if the following subparagraph were added after subparagraph e:

“(f) in the case of any other person, except a professional order that has set up an insurance fund in accordance with section 86.1 of the Professional Code (chapter C-26), 1.5% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 January 2013.”

History: 2015, c. 21, s. 533 [amended by 2017, c. 29, s. 258].

Temporary contribution.

1159.3.3. If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 2 December 2014 and before 1 April 2018, the following rules apply:

(a) subparagraph a of the first paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph d, the aggregate of 4.48% of the amount paid as wages in the part of the year that follows 2 December 2014 and 2.8% of the amount paid as wages in the part of the year that precedes 3 December 2014;”;

(b) the rate mentioned in subparagraphs i and ii of subparagraph b, subparagraph ii of subparagraph d and subparagraph d.1 of the first paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.48% that the number of days in the taxation year that follow 2 December 2014 is of the number of days in the taxation year, and

ii. the proportion of 0.3% that the number of days in the taxation year that precede 3 December 2014 is of the number of days in the taxation year;

(c) subparagraph c of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph d, the aggregate of 3.52% of the amount paid as wages in the part of the year that follows 2 December 2014 and 2.2% of the amount paid as wages in the part of the year that precedes 3 December 2014;” and

(d) subparagraph e of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs a to d.1 and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of 1.44% of the amount paid as wages in the part of the year during which the election was in effect and that follows 2 December 2014 and 0.9% of the amount

paid as wages in the part of the year in which the election was in effect that precedes 3 December 2014.”

Financial institution for part of a year.

If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 2 December 2014 and before 1 April 2018, the following rules apply:

(a) subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 4.48% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 2 December 2014 and 2.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 3 December 2014;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b* and subparagraph *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.48% that the number of days in the taxation year during which the person was a financial institution that follow 2 December 2014 is of the number of days in the taxation year during which the person was a financial institution, and

ii. the proportion of 0.3% that the number of days in the taxation year during which the person was a financial institution that precede 3 December 2014 is of the number of days in the taxation year during which the person was a financial institution;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.52% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 2 December 2014 and 2.2% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 3 December 2014;”;

(d) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d.1* of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 1.44% of the

amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect and that follow 2 December 2014 and 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that precede 3 December 2014.”

History: 2015, c. 21, s. 533 [amended by 2017, c. 29, s. 258]; 2017, c. 29, s. 219; 2019, c. 14, s. 457.

Temporary contribution.

1159.3.3.1. Where the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 March 2018 and before 1 April 2019, the following rules apply:

(a) subparagraph *a* of the first paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 4.29% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that follows 31 March 2018, and

ii. 4.48% of the amount paid as wages in the part of the year that precedes 1 April 2018;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b*, subparagraph *ii* of subparagraph *d* and subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate of 0.48%;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of

i. 3.39% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that follows 31 March 2018, and

ii. 3.52% of the amount paid as wages in the part of the year that precedes 1 April 2018;”;

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of

i. 1.37% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2018, and

ii. 1.44% of the amount paid as wages in the part of the year in which the election was in effect that precedes 1 April 2018.”

Financial institution for part of a year.

Where the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 31 March 2018 and before 1 April 2019, the following rules apply:

(a) subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2018 and 4.48% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2018;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b* and subparagraph *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate of 0.48%;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.39% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2018 and 3.52% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2018;”;

(d) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d*.1 of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 1.37% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect that follow 31 March 2018 and 1.44% of the amount paid as wages in the part or parts of the year, as the case may be, during which

the person was a financial institution and in which the election was in effect that precede 1 April 2018.”

History: 2019, c. 14, s. 458.

Temporary contribution.

1159.3.3.2. Where the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 March 2019 and before 1 April 2020, the following rules apply:

(a) subparagraph *a* of the first paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 4.22% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that follows 31 March 2018 and precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019,

ii. 4.29% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that follows 31 March 2018 and precedes 1 April 2019, and

iii. 4.48% of the amount paid as wages in the part of the year that precedes 1 April 2018;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b*, subparagraph *ii* of subparagraph *d* and subparagraph *d*.1 of the first paragraph of section 1159.3 is replaced by a rate of 0.48%;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of

i. 3.3% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that follows 31 March 2018 and precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019,

ii. 3.39% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that follows 31 March 2018 and precedes 1 April 2019, and

iii. 3.52% of the amount paid as wages in the part of the year that precedes 1 April 2018;”;

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of

- i. 1.34% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2018 and precedes 1 April 2019 and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2019,
- ii. 1.37% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2018 and precedes 1 April 2019, and
- iii. 1.44% of the amount paid as wages in the part of the year during which the election was in effect that precedes 1 April 2018.”

Financial institution for part of a year.

Where the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 31 March 2019 and before 1 April 2020, the following rules apply:

(a) subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019, 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2018 and precede 1 April 2019 and 4.48% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2018;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b* and subparagraph *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate of 0.48%;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.3% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019, 3.39% of the amount paid as wages in the part or parts of the year, as the case may be, during

which the person was a financial institution that follow 31 March 2018 and precede 1 April 2019 and 3.52% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2018;”;

(d) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d.1* of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 1.34% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect that follow 31 March 2019, 1.37% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that follow 31 March 2018 and precede 1 April 2019 and 1.44% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that precede 1 April 2018.”

History: 2019, c. 14, s. 458.

Temporary contribution.

1159.3.3.3. Where the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 March 2020 and before 1 April 2022, the following rules apply:

(a) subparagraph *a* of the first paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 4.14% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2020 and the amount paid as wages in the part of the year that follows 31 March 2020,

ii. 4.22% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019 and precedes 1 April 2020, and

iii. 4.29% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2019;”;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b*, subparagraph *ii* of subparagraph *d* and

subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate of 0.48%;

(*c*) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of

i. 3.26% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2020 and the amount paid as wages in the part of the year that follows 31 March 2020,

ii. 3.3% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019 and precedes 1 April 2020, and

iii. 3.39% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2019;” and

(*d*) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of

i. 1.32% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year during which the election was in effect that precedes 1 April 2020 and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2020,

ii. 1.34% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year in which the election was in effect that precedes 1 April 2019 and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2019 and precedes 1 April 2020, and

iii. 1.37% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year during which the election was in effect that precedes 1 April 2019.”

Financial institution for part of a year.

Where the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends

after 31 March 2020 and before 1 April 2022, the following rules apply:

(*a*) subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;”;

(*b*) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate of 0.48%;

(*c*) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 3.26% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 3.3% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 3.39% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;” and

(*d*) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d.1* of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect that follow 31 March 2020, 1.34% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that follow 31 March 2019 and precede 1 April 2020 and 1.37% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that precede 1 April 2019.”

History: 2019, c. 14, s. 458.

Temporary contribution.

1159.3.4. If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 March 2022, the following rules apply:

(a) subparagraph *a* of the first paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of

i. 2.8% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that is included, in whole or in part, in the period beginning on 1 April 2022 and ending on 31 March 2024 (in this section referred to as the “temporary contribution period”), and

ii. 4.14% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2022;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b*, subparagraph *ii* of subparagraph *d* and subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year that are included in the period beginning on 1 April 2022 and ending on 31 March 2024 (in this section referred to as the “temporary contribution period”) is of the number of days in the taxation year, and

ii. the proportion of 0.48% that the number of days in the taxation year that precede 1 April 2022 is of the number of days in the taxation year;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of

i. 2.2% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that is included in the temporary contribution period, and

ii. 3.26% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2022;”;

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made, with a person referred to in any of those subparagraphs, an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) that is in effect in the year, the aggregate of

i. 0.9% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year in which the election was in effect that precedes 1 April 2022 and the amount paid as wages in the part of the year during which the election was in effect that is included in the temporary contribution period, and

ii. 1.32% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year in which the election was in effect that precedes 1 April 2022.

Financial institution for part of a year.

If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 31 March 2022, the following rules apply:

(a) subparagraph *a* of the second paragraph of section 1159.3 is to be read as follows:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 2.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;

(b) the rate mentioned in subparagraphs *i* and *ii* of subparagraph *b* and subparagraph *ii* of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year during which the person was a financial institution that are included in the temporary contribution period is of the number of days in the taxation year during which the person was a financial institution, and

ii. the proportion of 0.48% that the number of days in the taxation year during which the person was a financial institution that precede 1 April 2022 is of the number of days in the taxation year during which the person was a financial institution;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 2.2% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 3.26% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;” and

(*d*) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d.1* of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, the aggregate of 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and the election was in effect that are included in the temporary contribution period and 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution and in which the election was in effect that precede 1 April 2022.”

History: 2015, c. 21, s. 533 [amended by 2017, c. 29, s. 258]; 2017, c. 29, s. 220 [amended by 2019, c. 14, s. 618]; 2019, c. 14, s. 459.

Special rule.

1159.4. Where, in a taxation year, a corporation is deemed to be a financial institution by reason of the election made by the corporation under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), or a savings and credit union is deemed to have made such an election under subsection 6 of the said section, and, for the part or parts of the year, as the case may be, during which the corporation or savings and credit union was a financial institution, the value of its supplies that are financial services is less than 90% of the value of the aggregate of its supplies, the amount of the compensation tax is the amount determined by the formula

$$A \times B / C.$$

Interpretation.

For the purposes of the formula set forth in the first paragraph,

(*a*) *A* is the amount of the compensation tax that would otherwise be computed under section 1159.3 if that section were read without reference to the third paragraph thereof;

(*b*) *B* is the value of the supplies of the corporation or the savings and credit union, as the case may be, that are financial services for the part or parts of the year, as the case may be, during which it was a financial institution, and

(*c*) *C* is the value of the aggregate of the supplies of the corporation or the savings and credit union, as the case may be, for the part or parts of the year, as the case may be, during which it was a financial institution.

History: 1993, c. 19, s. 148; 1997, c. 3, s. 71.

Establishment outside Québec.

1159.5. Where a financial institution referred to in subparagraph *a* of the first or second paragraph of section 1159.3 has an establishment situated outside Québec, subparagraph *i* of subparagraph *a* of the first or second paragraph, as the case may be, of the said section shall be construed as though the amount determined thereunder were equal to such proportion of the amount that would otherwise be determined thereunder as the business carried on by it in Québec is of the aggregate of the business carried on by it in Canada or in Québec and elsewhere, as determined by regulation.

History: 1993, c. 19, s. 148; 1995, c. 1, s. 199.

Taxation year that is less than 359 days.

1159.6. Where the taxation year of a financial institution referred to in subparagraph *a* of the first or second paragraph of section 1159.3 covers a period of less than 359 days, subparagraph *i* of subparagraph *a* of the first or second paragraph, as the case may be, of the said section shall be construed as though the amount determined thereunder were equal to such proportion of the amount that would otherwise be determined thereunder as the number of days in its taxation year is of 365.

History: 1993, c. 19, s. 148.

BOOK III MISCELLANEOUS PROVISIONS

Provisions applicable.

1159.7. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549 and sections 1000 to 1027.0.3 and 1037 to 1079.16 apply, with the necessary modifications, to this Part.

Applicable rules.

Furthermore, for the purposes of this Part, the following rules apply:

(*a*) an insurance corporation that is not a corporation is deemed to be a corporation;

(*b*) the fiscal period of any corporation that is deemed to be a corporation under subparagraph *a* is deemed to be the taxation year of the corporation.

History: 1993, c. 19, s. 148; 1993, c. 64, s. 198; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 1997, c. 3, s. 71; 2005, c. 1, s. 289; 2006, c. 13, s. 221; 2009, c. 15, s. 445.

Filing of fiscal return.

1159.8. Despite section 1000, every person other than a corporation shall file with the Minister in prescribed form, without notice or demand, a fiscal return containing prescribed information for each taxation year for which the person is required to pay tax under this Part, in respect of such portion of the tax as is determined by reference to the percentage of the amount paid as wages referred to in subparagraph *e* of the first or second paragraph of section 1159.3 or in subparagraph *f* of that first or second paragraph, enacted by subparagraph *e* of the first paragraph of section 1159.3.2 and subparagraph *e* of the second paragraph of that section, respectively.

Persons who must file a fiscal return.

Such return must be filed by the following persons and within the following time:

(a) in the case of a person who has died without making the return, by his legal representatives within 90 days after the person's death;

(b) in the case of a succession or trust, by the liquidator of the succession, the executor or the trustee, on or before the last day of February in the next calendar year;

(c) in the case of a person other than a person within the meaning of section 1, by the person or on his behalf, on or before the last day of February in the next calendar year;

(d) in the case of any other person, by that person or, if he is unable for any reason to file the return, by his adviser or legal representative, on or before the last day of February in the next calendar year;

(e) where no return has been filed pursuant to any of paragraphs *a* to *d*, by the person required by notice in writing from the Minister to file the return, within such time as the notice specifies.

Interpretation.

Notwithstanding the second paragraph, the person who is required to file the return in prescribed form referred to in the first paragraph is the person who files or is required to file the return in prescribed form referred to in section 1086R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1).

History: 1993, c. 19, s. 148; 1994, c. 22, s. 347; 1997, c. 3, s. 71; 1997, c. 31, s. 139; 1998, c. 16, s. 251; 2006, c. 13, s. 222; 2015, c. 21, s. 534.

Fiscal return to be filed in advance.

1159.9. Notwithstanding section 1159.8, every person who, on the date on or before which an amount is to be paid by the person to the Minister under section 1159.10, ceases or fails to pay the amount shall file the fiscal return provided for in section 1159.8 in prescribed form as referred to therein

on or before the twentieth day of the month following that in which an amount was last paid by him.

History: 1993, c. 19, s. 148.

Payments.

1159.10. Notwithstanding sections 1025 and 1026, every person, other than a corporation, who is liable to pay tax under this Part for a taxation year shall, in respect of such portion of the tax as is determined by reference to the percentage of the amount paid as wages referred to in subparagraph *e* of the first or second paragraph of section 1159.3, pay to the Minister, in respect of each month of that year during which the person was a financial institution, on or before the date on or before which the person is required to pay any amount to the Minister under section 1015 in respect of that month, an amount equal to the percentage of the amount paid as wages in respect of that month.

Transitional rule.

For the purposes of the first paragraph, in respect of the amount paid as wages after 31 December 2012 and before 12 July 2013, section 1159.3 is to be read without reference to subparagraph *f* of the first and second paragraphs, enacted by subparagraph *e* of the first and second paragraphs of section 1159.3.2, and as if subparagraph *e* of the first paragraph of section 1159.3 and subparagraph *e* of the second paragraph of that section were read respectively as follows:

“(e) in the case of any other person, 0.9% of the amount paid as wages;”;

“(e) in the case of any other person, except a professional order that has set up an insurance fund in accordance with section 86.1 of the Professional Code, 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution;”.

History: 1993, c. 19, s. 148; 1997, c. 3, s. 71; 2015, c. 21, s. 535.

1159.11. (Repealed).

History: 1993, c. 19, s. 148; 1995, c. 63, s. 255.

1159.12. (Repealed).

History: 1993, c. 19, s. 148; 1995, c. 1, s. 195.

1159.13. (Repealed).

History: 1993, c. 19, s. 148; 1995, c. 63, s. 255.

1159.14. (Repealed).

History: 1993, c. 19, s. 148; 1995, c. 63, s. 255.

1159.15. (Repealed).

History: 1993, c. 19, s. 148; 1995, c. 63, s. 255.

1159.16. *(Repealed).*

History: 1993, c. 19, s. 148; 1995, c. 63, s. 255.

Non-resident insurer.

1159.17. Where a person referred to in section 1171 is, at the time of the making of the insurance contract referred to in that section, a financial institution, the person shall, when filing the notice referred to in subsection 1 of that section, pay to the Minister a compensation tax equal to the percentage, specified in the second paragraph, of the amount of the premium payable by the person and in respect of which a tax must be paid under that section.

Percentage.

The percentage to which the first paragraph refers is equal to

(a) 0.35% in respect of a premium payable by a person before 31 March 2010;

(b) 0.55% in respect of a premium payable by a person during the period beginning on 31 March 2010 and ending on 31 December 2012;

(c) 0.3% in respect of a premium payable by a person during the period beginning on 1 January 2013 and ending on 2 December 2014;

(d) 0.48% in respect of a premium payable by a person during the period beginning on 3 December 2014 and ending on 31 March 2022; or

(e) 0.3% in respect of a premium payable by a person during the period beginning on 1 April 2022 and ending on 31 March 2024.

History: 1993, c. 19, s. 148; 1995, c. 63, s. 256; 2015, c. 21, s. 536; 2017, c. 29, s. 221.

Contravention of s. 1159.17.

1159.18. Every person who contravenes section 1159.17 incurs a penalty equal to twice the amount of the tax payable under that section.

History: 1993, c. 19, s. 148; 1995, c. 63, s. 257.

PART V

(Repealed).

1160. *(Repealed).*

History: 1972, c. 23, s. 872; 1979, c. 38, s. 28; 1980, c. 13, s. 114; 1982, c. 5, s. 206; 1986, c. 15, s. 205; 1987, c. 21, s. 94; 1989, c. 5, s. 239; 1989, c. 5, s. 245; 1990, c. 7, s. 216.

1160.1. *(Repealed).*

History: 1989, c. 5, s. 240; 1989, c. 5, s. 245.

1161. *(Repealed).*

History: 1972, c. 23, s. 873; 1980, c. 13, s. 115; 1982, c. 5, s. 207; 1989, c. 5, s. 245; 1995, c. 1, s. 199.

1162. *(Repealed).*

History: 1972, c. 23, s. 874; 1980, c. 13, s. 115; 1982, c. 5, s. 207; 1984, c. 35, s. 34; 1989, c. 5, s. 241; 1989, c. 5, s. 245.

1162.1. *(Repealed).*

History: 1982, c. 5, s. 207; 1989, c. 5, s. 245.

1162.1.1. *(Repealed).*

History: 1989, c. 5, s. 242; 1989, c. 5, s. 245.

1162.2. *(Repealed).*

History: 1982, c. 5, s. 207; 1989, c. 5, s. 243; 1989, c. 5, s. 245.

1162.3. *(Repealed).*

History: 1982, c. 5, s. 207; 1989, c. 5, s. 244; 1989, c. 5, s. 245.

1162.4. *(Repealed).*

History: 1982, c. 5, s. 207; 1989, c. 5, s. 245.

1163. *(Repealed).*

History: 1976, c. 33, s. 50; 1986, c. 15, s. 206; 1989, c. 5, s. 245.

1164. *(Repealed).*

History: 1972, c. 23, s. 875; 1980, c. 13, s. 116; 1989, c. 5, s. 245.

1165. *(Repealed).*

History: 1972, c. 26, s. 83; 1973, c. 18, s. 34; 1979, c. 38, s. 28; 1980, c. 13, s. 117; 1986, c. 15, s. 207; 1987, c. 21, s. 95; 1987, c. 67, s. 201; 1989, c. 5, s. 245; 1990, c. 7, s. 216; 1991, c. 8, s. 103; 1992, c. 1, s. 209; 1993, c. 64, s. 199.

PART VI**TAX ON CAPITAL OF INSURANCE CORPORATIONS****BOOK I****RULES OF INTERPRETATION****Definitions:**

1166. In this Part, unless the context indicates otherwise,

“amount allocated to the payment of a benefit”;

“amount allocated to the payment of a benefit” means the aggregate of benefits, other than benefits derived from a fund of an uninsured employee benefit plan, paid, in a taxation year, under an uninsured employee benefit plan, to the beneficiaries under the plan;

“carrying on business in Québec”;

“carrying on business in Québec” means owning any property in Québec, having an establishment in Québec or

exercising any of the corporate rights, powers or objects of a corporation in Québec;

“contribution”;

“contribution” includes assessments, premium deposits, registration fees and any other compensation in respect of an uninsured employee benefit plan;

“establishment”;

“establishment” has the meaning assigned by section 1;

“fiscal period”;

“fiscal period” has the meaning assigned by Part I;

“fund of an uninsured employee benefit plan”;

“fund of an uninsured employee benefit plan” means the aggregate of contributions, other than an amount described in the second paragraph, paid in a taxation year under an uninsured employee benefit plan, if the aggregate of contributions paid during any month in that year exceeds the amount required to pay the foreseeable benefits payable in that month and within 30 days after the end of that month;

“insurance corporation”;

“insurance corporation” means an insurer, within the meaning given to that expression by the Insurers Act (chapter A-32.1), and includes any person, trust, association or group of persons administering an uninsured employee benefit plan or paying any amount into a fund of an uninsured employee benefit plan;

“month”;

“month” means, where a taxation year commences on a day in a calendar month other than the first day of the month, any period commencing on that day in any calendar month within the taxation year, other than the month in which the year ends, and ending on the day immediately preceding that day in the calendar month following that month or, for the month in which the taxation year ends, on the day on which the taxation year ends, or where there is no such immediately preceding day in the following month, on the last day of that month;

“premium”;

“premium” means

(a) any amount payable as consideration for an insurance contract including the first premium and every other premium payable subsequently under such contract;

(b) premium deposits, assessments, registration fees, contributions of members and any other compensation given to benefit by an insurance contract;

“taxable premium”;

“taxable premium” means a fund of an uninsured employee benefit plan and an amount allocated to the payment of a benefit;

“taxation year”;

“taxation year” has the meaning assigned by Part I;

“uninsured employee benefit plan”.

“uninsured employee benefit plan” means a plan which gives protection against a risk that could otherwise be obtained by

taking out a policy of personal insurance, whether the benefits are partly insured or not.

Other premiums.

The following amounts are assimilated to taxable premiums:

(a) the amount of the administration costs in respect of an uninsured employee benefit plan paid to the person administering the uninsured employee benefit plan;

(b) the amount of the interest costs in respect of taxable premiums;

(c) the amount paid to make up a deficit relating to an uninsured employee benefit plan, whether or not it is in force at the time of the payment.

History: 1972, c. 23, s. 876; 1974, c. 18, s. 46; 1979, c. 38, s. 29; 1993, c. 19, s. 150; 1994, c. 22, s. 348; 1995, c. 1, s. 196; 1997, c. 3, s. 68; 1997, c. 14, s. 285; 1997, c. 85, s. 319; 2002, c. 9, s. 134; 2005, c. 23, s. 260; 2007, c. 12, s. 304; 2018, c. 23, s. 811(2); 2019, c. 14, s. 460.

Replacement or revocation of a document.

1166.1. In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Document deemed replaced.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Amendment for part of a period.

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as

proven by the content of the replaced document, and the new situation, as proven by the content of the new document.

History: 2012, c. 8, s. 252.

BOOK II INSURANCE

Amount of tax payable.

1167. Every insurance corporation carrying on business in Québec, except that mentioned in paragraph *b* of section 998, shall pay for each 12-month period, as tax on capital, on every premium payable to the corporation or its agent with respect to its business in Québec other than an annuity contract, except on any reinsurance premium paid to the corporation by another insurance corporation, a tax equal to 3% of the premium payable.

Minimum amount.

The tax payable by an insurance corporation, other than such a corporation to which section 61 of the Act respecting international financial centres (chapter C-8.3) applies, shall not be less than

- (a) \$500 in the case of marine insurance corporations;
- (b) \$200 in the case of reciprocal or mutual insurance corporations;
- (c) \$600 in the case of life insurance corporations, corporations transacting both in marine insurance and another kind of insurance except life insurance, and in the case of any other insurance corporation.

Insurance premium.

For the purposes of this section, any premium due in respect of the following is deemed to be a premium payable with respect to business in Québec:

- (a) the insurance of a person resident in Québec if the person is resident in Québec at the time the premium falls due;
- (b) the insurance of property situated in Québec if the property is situated in Québec at any time during the term of the insurance contract;
- (c) liability insurance subscribed by an underwriter resident or having an establishment in Québec, where the insurance covers in whole or in part the realization of a risk in Québec.

Insurance relating to an automobile.

Finally, where a contract of insurance relates to property that is an automobile within the meaning of the Automobile Insurance Act (chapter A-25) and gives rise, in respect of a period, to a premium payable to an insurance corporation or its agent with respect to its business in Québec, the premium

payable is deemed, for the purpose of computing the tax provided for in its respect under the first paragraph, to be equal to such proportion of the amount of direct written premiums of the insurance corporation for the period relating to the aggregate of such contracts of insurance, as is represented by the ratio, established in respect of the period and without reference to this paragraph, between the premium payable and the aggregate, for all such contracts of insurance, of premiums payable to the insurance corporation or its agent with respect to its business in Québec.

History: 1972, c. 23, s. 877; 1973, c. 17, s. 136; 1980, c. 13, s. 118; 1991, c. 8, s. 104; 1993, c. 64, s. 200; 1995, c. 1, s. 197; 1997, c. 3, s. 69; 1997, c. 85, s. 320; 1999, c. 86, s. 98; 2002, c. 9, s. 135; 2015, c. 24, s. 159; 2019, c. 14, s. 461.

Premium already taxed by another province.

1168. (1) When a premium is already taxed by another province, state or country, the Minister may, if he considers it to be fair, exempt an insurance corporation from the obligation to pay the tax on that premium.

Cases where tax may be increased.

(2) Where insurance corporations incorporated in Québec are subject in another province, state or country to a tax higher than that exigible in that province, state or country from the insurance corporations incorporated therein, the Government may increase proportionately the tax on such corporations doing business in Québec.

History: 1972, c. 23, s. 878; 1997, c. 3, s. 71; 1997, c. 31, s. 140.

1169. (Repealed).

History: 1972, c. 23, s. 879; 1979, c. 38, s. 29.

Return premiums and dividends deductible from premiums.

1170. For the purposes of section 1167, a corporation may deduct from the premiums payable the return premiums and the cash value of the dividends paid or credited to policyholders to the extent that such return premiums and dividends are in respect of risks covered by the insurance of persons resident in Québec, the insurance of property situated in Québec or a liability insurance subscribed by an underwriter resident or having an establishment in Québec.

Restriction.

The corporation may not, however, deduct from the premiums payable payment to the policyholder of cash surrender or loan values.

History: 1972, c. 23, s. 880; 1996, c. 39, s. 273; 1997, c. 3, s. 71; 1997, c. 85, s. 321; 2015, c. 24, s. 160.

1170.1. (Repealed).

History: 2002, c. 9, s. 136; 2009, c. 5, s. 563; 2019, c. 14, s. 462.

1170.2. *(Repealed).*

History: 2002, c. 9, s. 136; 2012, c. 8, s. 253; 2019, c. 14, s. 462.

1170.3. *(Repealed).*

History: 2002, c. 9, s. 136; 2019, c. 14, s. 462.

1170.4. *(Repealed).*

History: 2009, c. 5, s. 564; 2019, c. 14, s. 462.

Notice to Minister where insurer non-resident.

1171. (1) The Minister shall be informed of every insurance contract affecting property situated in Québec and made after 1 September 1947 with an insurance corporation that is not resident in Canada and has no office therein. Every person and officer, agent or employee of such person having knowledge of the facts, shall within 30 days notify the Minister in writing, under oath, of the amount of that insurance and of the amount of premiums which would have been required for such insurance had it been placed with an insurance corporation having an office or place of business in Québec.

Tax payable.

(2) The person contemplated in subsection 1 shall, upon filing the notice mentioned therein, pay to the Minister the amount which he would be entitled to receive from a corporation having an office or place of business in Québec had that insurance been placed with such corporation. When such insurance is effected directly by the possessor of the property, the notice shall be sent and the tax paid by him; when it is effected through an agent or broker, the notice shall be sent and the tax paid by that agent or broker.

History: 1972, c. 23, s. 881; 1996, c. 39, s. 272; 1997, c. 3, s. 71; 1997, c. 85, s. 322.

Contravention of s. 1171.

1172. Every person who contravenes any provision of section 1171 incurs a penalty equal to twice the amount of the tax payable under that section.

History: 1972, c. 23, s. 882; 1990, c. 4, s. 457; 1995, c. 63, s. 258.

1173. *(Repealed).*

History: 1972, c. 23, s. 883; 1979, c. 38, s. 29.

**BOOK III
UNINSURED EMPLOYEE BENEFIT PLAN****Amount of tax payable.**

1173.1. Every insurance corporation carrying on business in Québec shall pay, as tax on capital, for every taxation year, on every taxable premium paid in the year to the corporation or its agent in respect of a person resident in Québec at the time of payment, a tax equal to 3% of the taxable premium.

Deemed payment of a taxable premium.

Where a taxable premium in respect of a particular uninsured employee benefit plan is not paid to an insurance corporation, that premium is deemed to be paid to the corporation that pays the premium in respect of the uninsured employee benefit plan.

Minimum amount.

In no case may the amount of the tax determined under the first paragraph to be paid by an insurance corporation, other than a corporation to which section 61 of the Act respecting international financial centres (chapter C-8.3) applies, be less than \$600.

History: 1993, c. 19, s. 152; 1993, c. 64, s. 201; 1997, c. 3, s. 71; 2002, c. 40, s. 323; 2015, c. 24, s. 161.

Exclusions.

1173.2. The tax provided for in this Book does not apply

(a) to the portion of a taxable premium, other than a taxable premium that is a fund of an uninsured employee benefit plan, that corresponds to the payment, by an insurance corporation, of an amount, paid by reason of the loss of all or part of the income from an office or employment and that is income from an office or employment for which a contribution established under the Act respecting industrial accidents and occupational diseases (chapter A-3.001), the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) or the Act respecting the Québec Pension Plan (chapter R-9) is paid; or

(b) to any taxable premium which, after being paid to another insurance corporation, is a premium or another taxable premium, in the year or in any subsequent taxation year, in respect of which a tax is payable under this Part.

History: 1993, c. 19, s. 152; 1993, c. 64, s. 202; 1997, c. 3, s. 71; 1998, c. 16, s. 248; 1999, c. 89, s. 53; O.C. 149-2000.

**BOOK IV
MISCELLANEOUS PROVISIONS****Minimum amount of tax.**

1173.3. Where an insurance corporation is required to pay, for a 12-month period ending in a taxation year, an amount determined under the second paragraph of section 1167 and, for that taxation year, the amount determined under the third paragraph of section 1173.1, the aggregate of all amounts payable under the said paragraphs shall be equal to \$600.

History: 1993, c. 19, s. 152; 1993, c. 64, s. 203; 1997, c. 3, s. 71.

Exemption.

1173.3.1. An insurance corporation that is required to pay an amount determined under the first paragraph of section 1167 is not required to pay the minimum amount determined under the third paragraph of section 1173.1.

Exemption.

An insurance corporation that is required to pay an amount determined under the first paragraph of section 1173.1 is not required to pay the minimum amount determined under the second paragraph of section 1167.

History: 2002, c. 40, s. 324.

Deemed corporation.

1173.4. For the purposes of this Part and sections 1000 to 1027 and 1037 to 1079.16, where those sections apply to this Part by reason of section 1175, an insurance corporation that is not a corporation is deemed to be a corporation and, for the purposes of Book III, its fiscal period is deemed to be its taxation year.

History: 1993, c. 19, s. 152; 1993, c. 64, s. 203; 1995, c. 49, s. 236; 1997, c. 3, s. 71; 2005, c. 1, s. 290.

Application of ss. 1143 and 1144.

1174. Sections 1143 and 1144 apply, with the necessary modifications, to this Part.

Regulations by the Government.

Furthermore, the Government may make regulations to exempt, on such conditions as it may prescribe, an insurance corporation from paying taxes in respect of a class or a type of business.

History: 1972, c. 23, s. 884; 1973, c. 18, s. 35; 1979, c. 38, s. 29; 1980, c. 13, s. 119; 1995, c. 63, s. 261; 1997, c. 3, s. 71.

Prescribed insurance corporation or prescribed taxable premium.

1174.0.1. Section 1174 does not apply to Book III, except in respect of a prescribed insurance corporation or a prescribed taxable premium.

History: 1993, c. 19, s. 153; 1997, c. 3, s. 71.

Fraternal benefit society.

1174.0.2. Notwithstanding section 1174, where an insurance corporation is a fraternal benefit society, it is exempt from the tax payable under this Part only in respect of payable premiums other than premiums with respect to a life insurance business.

History: 1993, c. 19, s. 153; 1997, c. 3, s. 71.

1174.0.3. (Repealed).

History: 2005, c. 1, s. 291; 2019, c. 14, s. 463.

1174.1. (Repealed).

History: 1990, c. 59, s. 363; 1997, c. 3, s. 71; 2019, c. 14, s. 464.

Provisions applicable.

1175. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549 and sections 1000 to 1027.0.3 and 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1972, c. 26, s. 84; 1979, c. 38, s. 29; 1987, c. 21, s. 96; 1990, c. 7, s. 217; 1991, c. 8, s. 105; 1992, c. 1, s. 210; 1993, c. 19, s. 154; 1993, c. 64, s. 204; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 2005, c. 1, s. 292; 2006, c. 13, s. 223; 2009, c. 15, s. 446.

**PART VI.1
TAX ON CAPITAL OF LIFE INSURERS****BOOK I
INTERPRETATION****Definitions:**

1175.1. In this Part,

“*amount*”;

“*amount*” has the meaning assigned by section 1;

“*Canadian reserve liabilities*”;

“*Canadian reserve liabilities*” has the meaning assigned by the regulations under section 818;

“*carrying on business in Québec*”;

“*carrying on business in Québec*” has the meaning assigned by section 1166;

“*foreign insurance subsidiary*”;

“*foreign insurance subsidiary*” of a life insurer, at a particular time, means a corporation not resident in Canada that

(a) carried on a life insurance business throughout its last taxation year ending at or before the particular time and did not carry on a life insurance business in Canada at any time in that taxation year; and

(b) is at the particular time

i. a subsidiary of the life insurer, and

ii. not a subsidiary of any corporation that is resident in Canada, carried on a life insurance business in Canada at any time in its last taxation year ending at or before the particular time and is a subsidiary of the life insurer;

“*life insurance business*”;

“*life insurance business*” has the meaning assigned by section 1;

“*life insurer*”;

“*life insurer*” has the meaning assigned by section 1;

“*long-term debt*”;

“*long-term debt*” of a life insurer or of a foreign insurance subsidiary means its subordinated indebtedness, within the meaning assigned by subsection 1 of section 2 of the Insurance Companies Act (Statutes of Canada, 1991,

chapter 47), evidenced by obligations issued for a term of not less than five years;

“province”;

“province” has the meaning assigned by section 1;

“reserves”;

“reserves”, in respect of a life insurer for a taxation year, means the amount at the end of the year of all of the life insurer’s

(a) reserves, provisions and allowances, other than those in respect of depreciation or depletion and those for losses, in respect of a contract of lease or of leasing, that a life insurer carrying lease or leasing activities cannot deduct in computing its income under Part I; and

(b) deferred taxes or future taxes, depending on the method followed by the life insurer;

“subsidiary”;

“subsidiary” of a corporation, in this definition referred to as the “parent corporation”, means a corporation not less than 90% of the issued and outstanding shares of each class of the capital stock of which belong to

(a) the parent corporation;

(b) a corporation that is a subsidiary of the parent corporation; or

(c) any combination of corporations each of which is a corporation described in paragraph *a* or *b*;

“Superintendent of Financial Institutions”;

“Superintendent of Financial Institutions”, in respect of a life insurer, means

(a) the Superintendent of Financial Institutions for Canada, where the life insurer is required to report to that person; and

(b) where the life insurer is incorporated under the laws of a province, the superintendent of insurance or other similar agent or authority of that province, or the Autorité des marchés financiers, according to the person to whom the life insurer is required to report;

“taxation year”;

“taxation year” has the meaning assigned by Part I;

“total reserve liabilities”.

“total reserve liabilities” of an insurer at the end of a taxation year means the amount by which the aggregate amount of the insurer’s liabilities and reserves at the end of the year in respect of all its insurance policies, other than liabilities and reserves in respect of a segregated fund, within the meaning of subparagraph *b* of the first paragraph of section 835, as determined for the purposes of the Superintendent of Financial Institutions, exceeds the aggregate of all amounts each of which is a reinsurance recoverable within the meaning of section 818R53 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) reported as a reinsurance asset

by the insurer as at the end of the year relating to those liabilities or reserves.

History: 1997, c. 14, s. 286; 1997, c. 31, s. 141; 1998, c. 16, s. 249; 2000, c. 39, s. 260; 2001, c. 53, s. 256; 2002, c. 9, s. 137; 2002, c. 45, s. 520; O.C. 45-2004; 2004, c. 37, s. 90; 2007, c. 12, s. 304; 2013, c. 10, s. 176; 2019, c. 14, s. 465.

Determining values and amounts.

1175.2. For the purpose of determining any amount under this Part in respect of a corporation’s capital, taxable capital, taxable capital employed in Québec or taxable capital employed in Canada,

(a) the equity and consolidation methods of accounting shall not be used; and

(b) subject to paragraph *a* and except as otherwise provided in this Part, the amounts that shall be used are the amounts shown on the balance sheet

i. presented to the shareholders of the corporation, in the case of a corporation other than a life insurer to which subparagraph ii applies or, where such a balance sheet was not prepared in accordance with generally accepted accounting principles or no such balance sheet was prepared, the amounts that would be shown if such a balance sheet had been prepared in accordance with generally accepted accounting principles, or

ii. accepted by the Superintendent of Financial Institutions, in the case of a life insurer that is required to report to the Superintendent of Financial Institutions.

History: 1997, c. 14, s. 286.

Limitations respecting inclusions and deductions.

1175.3. A corporation that has already included or deducted an amount directly or indirectly in computing its capital, taxable capital, taxable capital employed in Québec or taxable capital employed in Canada for a taxation year is not required to include such amount again, or authorized, as the case may be, to deduct it again, either directly or indirectly, unless this Part expressly obliges or authorizes it to do so, or contains words that necessarily imply such obligation or authorization.

History: 1997, c. 14, s. 286.

Replacement or revocation of a document.

1175.3.1. In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new

document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Document deemed replaced.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Amendment for part of a period.

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.

History: 2012, c. 8, s. 254.

BOOK II LIABILITY FOR AND AMOUNT OF TAX

Tax payable.

1175.4. Every life insurer that carries on business in Québec at any time in a taxation year shall pay a tax for the taxation year equal to the product obtained by multiplying 1.25% of its taxable capital employed in Québec by the proportion that the number of days in the taxation year after 9 May 1996 is of 365.

History: 1997, c. 14, s. 286.

1175.4.1. (Repealed).

History: 2002, c. 9, s. 138; 2009, c. 5, s. 565; 2019, c. 14, s. 466.

1175.4.2. (Repealed).

History: 2002, c. 9, s. 138; 2005, c. 1, s. 293; 2012, c. 8, s. 255; 2019, c. 14, s. 466.

1175.4.3. (Repealed).

History: 2002, c. 9, s. 138; 2019, c. 14, s. 466.

1175.4.4. (Repealed).

History: 2009, c. 5, s. 566; 2019, c. 14, s. 466.

Deduction.

1175.5. A life insurer may deduct from its tax otherwise payable under this Part for a taxation year, an amount equal to the amount by which its tax payable for the year under Part I exceeds the aggregate of all amounts each of which is an amount the life insurer is deemed, under Chapter III. 1 of Title III of Book IX of Part I, to have paid to the Minister as partial payment of its tax payable under Part I for the year.

History: 1997, c. 14, s. 286.

BOOK III COMPUTATION OF TAXABLE CAPITAL

Taxable capital employed in Québec of a life insurer resident in Canada.

1175.6. In this Part, the taxable capital employed in Québec of a life insurer that is resident in Canada at any time in a taxation year is, for the year, the amount determined by the formula

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

Interpretation.

For the purposes of the formula in the first paragraph,

(a) A is the amount obtained by multiplying the aggregate of the capital of the life insurer for the taxation year and the amount determined for the year in respect of the capital of its foreign insurance subsidiaries by the proportion that the Canadian reserve liabilities of the life insurer at the end of the taxation year is of the aggregate of its total reserve liabilities at the end of the year and the amount determined for the year in respect of the total reserve liabilities of its foreign insurance subsidiaries;

(b) B is the life insurer’s capital allowance for the taxation year; and

(c) C is that proportion of the amount by which the amount determined under subparagraph a for the taxation year exceeds the amount referred to in subparagraph b that the business carried on by the life insurer in Canada but not in Québec for the taxation year is of the aggregate of its business carried on in Canada for the taxation year, as determined in accordance with the regulations;

(d) (subparagraph repealed).

History: 1997, c. 14, s. 286; 2001, c. 53, s. 257; 2010, c. 25, s. 224.

Taxable capital employed in Québec of a life insurer not resident in Canada.

1175.7. In this Part, the taxable capital employed in Québec of a life insurer that throughout a taxation year is not resident in Canada is the amount by which

(a) the amount by which its capital for the year exceeds its capital allowance for the year; exceeds

(b) that proportion of the amount determined under paragraph *a* that its business carried on in Canada but not in Québec is of the aggregate of its business carried on in Canada, as determined in accordance with the regulations made pursuant to section 1175.6.

History: 1997, c. 14, s. 286.

Capital of a life insurer that is resident in Canada.

1175.8. In this Part, the capital of a life insurer that is resident in Canada at any time in a taxation year is the amount by which the aggregate of the following amounts exceeds the aggregate at the end of the year of the amount of its future tax assets balance and the amount of any deficit deducted in computing its net shareholders' equity:

(a) the amount of its long-term debt; and

(b) the amount of its capital stock or, in the case of an insurer incorporated without share capital, the amount of its members' contributions, plus the amount of its retained earnings, contributed surplus and any other surpluses.

History: 1997, c. 14, s. 286; 2000, c. 39, s. 261; 2002, c. 40, s. 325.

Capital of a life insurer not resident in Canada.

1175.9. For the purposes of this Part, the capital of a life insurer that throughout a taxation year is not resident in Canada is the aggregate at the end of the taxation year of

(a) the greater of

i. the amount by which its surplus funds derived from operations, as defined by subparagraph 1 of the first paragraph of section 835, at the end of the year, computed as if no tax were payable under this Part or Parts I.3 and VI of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year, exceeds the aggregate of all amounts each of which is

(1) an amount on which it was required to pay tax under Part XIV of the Income Tax Act for a preceding taxation year, or would but for subsection 5.2 of section 219 of that Act have been required to pay such tax, except the portion of the amount on which tax was payable, or would have been payable, because of subparagraph i.1 of paragraph *a* of subsection 4 of section 219 of that Act, and

(2) an amount on which it was required to pay, or would but for subsection 5.2 of section 219 of that Act have been required to pay, tax under subsection 5.1 of section 219 of the Income Tax Act for the year because of the transfer of an insurance business to which sections 832.3 and 832.7 apply, and

ii. its attributed surplus, within the meaning assigned by the regulations made under section 818, for the year;

(b) any other surpluses relating to its insurance businesses carried on in Canada; and

(c) the amount of its long-term debt that may reasonably be regarded as relating to its insurance businesses carried on in Canada;

(d) *(paragraph repealed)*.

History: 1997, c. 14, s. 286; 1998, c. 16, s. 250; 2001, c. 7, s. 168; 2001, c. 53, s. 258; 2010, c. 25, s. 225.

Capital of foreign insurance subsidiaries.

1175.10. For the purposes of subparagraph *a* of the second paragraph of section 1175.6, the amount determined for a particular taxation year in respect of the capital of the foreign insurance subsidiaries of a life insurer is equal to the aggregate of all amounts each of which is, in respect of a foreign insurance subsidiary of the life insurer, the amount by which the amount that would, had the subsidiary been resident in Canada throughout its last taxation year ending at or before the end of the particular taxation year, have been its capital for that year exceeds the aggregate of all amounts each of which is

(a) an amount included in computing that capital in respect of a share of the subsidiary's capital stock or its long-term debt that was owned by

i. the life insurer,

ii. a subsidiary of the life insurer,

iii. a corporation that is resident in Canada, that carried on a life insurance business in Canada at any time in its last taxation year ending at or before the end of the life insurer's taxation year, and that is

(1) a corporation of which the life insurer is a subsidiary, or

(2) a subsidiary of a corporation described in subparagraph 1,

iv. a subsidiary of a corporation described in subparagraph iii; or

(b) an amount included in computing that capital in respect of any surplus of the subsidiary contributed by a corporation described in any of subparagraphs i to iv of paragraph *a*, other than an amount referred to in paragraph *a*.

History: 1997, c. 14, s. 286.

Total reserve liabilities of foreign insurance subsidiaries.

1175.11. For the purposes of subparagraph *a* of the second paragraph of section 1175.6, the amount determined for a

taxation year in respect of the total reserve liabilities of the foreign insurance subsidiaries of a life insurer is the aggregate of all amounts each of which would be the total reserve liabilities of such a subsidiary at the end of the subsidiary's last taxation year ending at or before the end of the life insurer's taxation year if the subsidiary were required to report to the Superintendent of Financial Institutions for that year.

History: 1997, c. 14, s. 286.

Capital allowance.

1175.12. For the purposes of this Part, the capital allowance for a taxation year of a life insurer that carries on business in Canada at any time in the year is the total of

(a) \$10,000,000;

(b) 1/2 of the amount by which the lesser of the following amounts exceeds \$10,000,000:

i. \$50,000,000, and

ii. its taxable capital employed in Canada for the year;

(c) 1/4 of the amount by which the lesser of the following amounts exceeds \$50,000,000:

i. \$100,000,000, and

ii. its taxable capital employed in Canada for the year;

(d) 1/2 of the amount by which the lesser of the following amounts exceeds \$200,000,000:

i. \$300,000,000, and

ii. its taxable capital employed in Canada for the year; and

(e) 3/4 of the amount by which its taxable capital employed in Canada for the year exceeds \$300,000,000.

Exception.

Notwithstanding the first paragraph, where a life insurer is related at the end of a taxation year to another life insurer that carries on business in Canada, its capital allowance for the taxation year is, subject to sections 1175.13, 1175.15 and 1175.16, nil.

History: 1997, c. 14, s. 286.

Capital allowance of related life insurers.

1175.13. A life insurer that carries on business in Canada at any time in a taxation year and is related at the end of the year to another life insurer that carries on business in Canada may file with the Minister, on behalf of the related group of life insurers of which the life insurer is a member, an agreement in prescribed form under which an amount that

does not exceed the total of the following amounts is allocated for the year among the members of the related group:

(a) \$10,000,000;

(b) 1/2 of the amount by which the lesser of the following amounts exceeds \$10,000,000:

i. \$50,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group;

(c) 1/4 of the amount by which the lesser of the following amounts exceeds \$50,000,000:

i. \$100,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group;

(d) 1/2 of the amount by which the lesser of the following amounts exceeds \$200,000,000:

i. \$300,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group; and

(e) 3/4 of the amount by which the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group, exceeds \$300,000,000.

History: 1997, c. 14, s. 286.

Taxable capital employed in Canada of a life insurer resident in Canada.

1175.14. For the purposes of sections 1175.12 and 1175.13, the taxable capital employed in Canada of a life insurer for a taxation year is, in the case of a life insurer that is resident in Canada at any time in the taxation year, the amount obtained by multiplying the aggregate of the capital of the life insurer for the taxation year and the amount determined for the year in respect of the capital of its foreign insurance subsidiaries by the proportion that the Canadian reserve liabilities of the life insurer at the end of the taxation year is of the aggregate of its total reserve liabilities at the end of the year and the amount determined for the year in respect of the total reserve liabilities of its foreign insurance subsidiaries.

Taxable capital employed in Canada of a life insurer not resident in Canada.

For the purposes of sections 1175.12 and 1175.13, the taxable capital employed in Canada of a life insurer for a taxation year is, in the case of a life insurer that, throughout a taxation year, is not resident in Canada, its capital for the taxation year.

History: 1997, c. 14, s. 286; 2001, c. 53, s. 259; 2010, c. 25, s. 226.

Allocation by the Minister.

1175.15. The Minister may request a life insurer that carries on business in Canada at any time in a taxation year and, at the end of the year, is related to another life insurer that carries on business in Canada to file with the Minister an agreement described in section 1175.13 and, if the life insurer does not file the agreement within 30 days after receiving the request, the Minister may allocate among the members of the related group of life insurers of which the life insurer is a member for the year an amount not exceeding the total that would otherwise be determined under paragraphs *a* to *e* of section 1175.13 in respect of the related group.

History: 1997, c. 14, s. 286.

Capital allowance.

1175.16. For the purposes of this Part, the capital allowance for a taxation year of a member of a related group of life insurers is equal to the least amount allocated to that member for that year under an agreement described in section 1175.13 or by the Minister in accordance with section 1175.15.

History: 1997, c. 14, s. 286.

Short taxation years.

1175.17. Where a corporation, in this section referred to as the "first corporation", has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year, the capital allowance of the first corporation for each such taxation year at the end of which it is related to the other corporation is, for the purposes of this Part, an amount equal to its capital allowance for the first such taxation year.

History: 1997, c. 14, s. 286.

Corporations not related.

1175.18. For the purposes of this Part, two corporations that would, but for this section, be related to each other solely because of the control of any corporation by the State or Her Majesty in right of Canada or a province, other than Québec, or a right referred to in paragraph *b* of section 20, shall be deemed not to be related to each other.

Exception.

However, where at any time a taxpayer acquires a right referred to in paragraph *b* of section 20 and it may reasonably be considered that one of the main purposes of the acquisition of the right was to avoid any limitation on the amount of a corporation's capital allowance for a taxation year, for the purpose of determining whether, for the purposes of this Part, a corporation is related to any other corporation, the taxpayer is deemed to have acquired, at that time, the shares giving entitlement to the right.

History: 1997, c. 14, s. 286; 1998, c. 16, s. 251; 2001, c. 7, s. 169.

BOOK IV MISCELLANEOUS PROVISIONS

Provisions applicable.

1175.19. Except where inconsistent with this Part, sections 7.14, 11, 11.1, 11.3 and 17 to 21, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549 and sections 1000 to 1027.0.3, 1037 to 1079.16 and 1134 apply, with the necessary modifications, to this Part.

History: 1997, c. 14, s. 286; 2005, c. 1, s. 294; 2006, c. 13, s. 224; 2009, c. 15, s. 447.

PART VI.1.1 SPECIAL TAX RELATING TO A CAPITAL TAX CREDIT

Definitions:

1175.19.1. In this Part,

"*filing-due date*";

"filing-due date" has the meaning assigned by section 1;

"*fiscal period*";

"fiscal period" has the meaning assigned by Part I;

"*taxation year*".

"taxation year" has the meaning assigned by Part I.

History: 2005, c. 38, s. 333; 2006, c. 36, s. 264; 2007, c. 12, s. 288.

Tax payable by a corporation.

1175.19.2. Every corporation that, in relation to the aggregate of the costs referred to in the first paragraph of section 1135.1 for any taxation year and incurred in respect of property described in any of sections 1135.3 to 1135.3.1, has deducted, under section 1135.1 or 1135.2, an amount in computing its tax otherwise payable under Part IV for a particular taxation year, shall pay the tax computed under the second paragraph, for a subsequent taxation year, in this section referred to as the "repayment year", if

(a) an amount relating to the portion of those costs that was incurred by the corporation is, in the repayment year, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) an amount relating to the portion of those costs that was incurred by a partnership of which the corporation is a member at the end of that partnership's fiscal period that ends in the repayment year, is, in that fiscal period, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is, in relation to the costs referred to in the first paragraph, an amount that the corporation would have deducted under section 1135.1 or 1135.2 for a particular taxation year preceding the repayment year, if the corporation's share of the income or loss of any partnership of which it was a member at the end of the partnership's fiscal period that ends in the particular taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year, exceeds the total of

(a) the aggregate of all amounts each of which is, in relation to those costs, an amount that the corporation would have deducted under section 1135.1 or 1135.2 for a particular taxation year preceding the repayment year, if

i. any amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the portion of those costs that was incurred by the corporation, had been refunded, paid or allocated in the particular taxation year,

ii. any amount that is, at or before the end of the fiscal period of a partnership of which the taxpayer is a member ending in the repayment year, so refunded, paid or allocated, in relation to the portion of those costs that was incurred by the partnership, had been refunded, paid or allocated in the partnership's fiscal period that ends in the particular taxation year, and

iii. the corporation's share of the income or loss of any partnership for the partnership's fiscal period that ends in the particular taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year; and

(b) the aggregate of all amounts each of which is a tax that the corporation should have paid to the Minister under this section, in relation to those costs, for a taxation year preceding the repayment year, if the corporation's share of the income or loss of any partnership for the partnership's fiscal period that ends in the preceding taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year.

Presumption.

For the purposes of the second paragraph, an amount referred to in subparagraph ii of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the repayment year.

History: 2005, c. 38, s. 333; 2006, c. 13, s. 225; 2006, c. 36, s. 265; 2007, c. 12, s. 289; 2009, c. 5, s. 567; 2009, c. 15, s. 448.

Presumption.

1175.19.2.1. For the purposes of section 1175.19.2, the amount determined in accordance with the second paragraph, in respect of a property described in any of sections 1135.3 to 1135.3.1 that a corporation has acquired in any given taxation year or that a partnership has acquired in a fiscal period that ends in any given taxation year, is deemed to be refunded to the corporation in a taxation year subsequent to the given taxation year (in this section referred to as the "repayment year") or refunded to the partnership in a fiscal period of the partnership that ends in the repayment year if, at a particular time in the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec,

(a) if the property is described in section 1135.3 or 1135.3.0.1 or paragraph *b* of section 1135.3.1, to earn income from a business carried on

i. by the first purchaser of the property and that time is in the portion of that period in which the first purchaser owns the property, or

ii. by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, and that time is in the portion of that period in which the subsequent purchaser owns the property; or

(b) if the property is described in paragraph *a* of section 1135.3.1, in connection with the activities, described in subparagraph ii of paragraph *a* of section 1135.3.1, of a business carried on

i. by the first purchaser of the property and that time is in the portion of that period in which the first purchaser owns the property, or

ii. by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and that time is in the portion of that period in which the subsequent purchaser owns the property.

Determination of amount.

The amount to which the first paragraph refers is equal to the amount by which the aggregate of the costs incurred by the corporation to acquire the property in the given taxation year, or incurred by the partnership to acquire the property in the fiscal period that ends in the given taxation year, exceeds the aggregate of all amounts each of which is an amount relating to those costs that, in a taxation year preceding the repayment year but subsequent to the given taxation year, or in a fiscal period of the partnership that ends in such a year, was refunded, otherwise paid or allocated to a payment to be made by the corporation or partnership.

Interpretation.

The period to which the first paragraph refers is the period that begins on the day after the corporation's filing-due date for the taxation year preceding the repayment year and ends on the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser of the property or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, or, if it precedes the day that is the end of the 730-day period, the corporation's filing-due date for the repayment year.

Exception.

No tax is payable for a taxation year under section 1175.19.2 in respect of any given amount that is refunded or otherwise paid to the corporation or to a partnership of which the corporation is a member at the end of the partnership's fiscal period that ends in the taxation year, or that is allocated to a payment to be made by the corporation or partnership, if the given amount is included in an amount that is deemed to have been refunded under this section in that taxation year or a preceding taxation year, or in a fiscal period of the partnership that ends in that taxation year or a preceding taxation year.

History: 2006, c. 36, s. 266; 2007, c. 12, s. 290; 2009, c. 5, s. 568; 2009, c. 15, s. 449.

Deemed repayment of assistance.

1175.19.2.2. The tax paid at any time by a corporation to the Minister under this Part in relation to a property, is deemed, for the purposes of Part I, to be an amount of assistance repaid at that time by the corporation in respect of the property, pursuant to a legal obligation.

History: 2006, c. 36, s. 266; 2009, c. 15, s. 450.

Provisions applicable.

1175.19.3. Except where inconsistent with this Part, sections 17 to 21, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 and 1129.0.0.2 apply, with the necessary modifications, to this Part.

History: 2005, c. 38, s. 333; 2006, c. 13, s. 226; 2007, c. 12, s. 291.

PART VI.2

SPECIAL TAX RELATING TO A DEDUCTION IN COMPUTING PAID-UP CAPITAL

Definitions:

1175.20. In this Part,

“eligible acquisition costs”;

“eligible acquisition costs” has the meaning assigned by Part IV;

“eligible conversion costs”;

“eligible conversion costs” has the meaning assigned by Part IV;

“eligible vessel”;

“eligible vessel” has the meaning assigned by Part IV;

“filing-due date”;

“filing-due date” has the meaning assigned by section 1;

“fiscal period”;

“fiscal period” has the meaning assigned by Part I;

“taxation year”.

“taxation year” has the meaning assigned by Part I.

History: 1997, c. 85, s. 323; 1999, c. 83, s. 270; 2007, c. 12, s. 304.

Tax payable.

1175.21. Every corporation that, in relation to a property described in the first paragraph of section 1137.5, has deducted, for a particular taxation year, an amount under paragraph *b.3* or *b.4* of section 1137 and, if the corporation is a member of a partnership, because of subsection 3 of section 1136, in computing its paid-up capital determined under Part IV for the purpose of computing the tax payable by the corporation for the particular year under that Part, shall pay the tax computed under the second paragraph, for a subsequent taxation year, in this section referred to as the “repayment year”, in which

(a) an amount relating to costs incurred to acquire the property, or to its share of such costs, in respect of which the corporation has deducted an amount for a taxation year preceding the repayment year is, directly or indirectly, refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation; or

(b) ends a fiscal period of the partnership in which an amount relating to costs incurred by the partnership to acquire the property, in respect of which the corporation has deducted, in relation to its share of those costs, an amount for a taxation year preceding the repayment year is, directly or indirectly, refunded or otherwise paid to the partnership, or allocated to a payment to be made by the partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the amount determined in accordance with the third paragraph is exceeded by the aggregate of all amounts each of which is the amount by which the amount of the tax that would have been payable by the corporation under Part IV for a particular taxation year preceding the repayment year and in respect of which the corporation has deducted an amount relating to costs incurred to acquire the property referred to in the first paragraph, or to its share of such costs, if every amount that, at or before the end of the repayment year or of the fiscal period that ended in the repayment year, as the case may be, is so refunded, paid or allocated, in relation to those costs, had been refunded, paid or allocated in that particular taxation year or in the fiscal period that ended in the particular taxation year, as the case may be, and in the case where the property was acquired by the partnership referred to in the first paragraph, if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that particular taxation year and the income or loss of the partnership for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year, exceeds the amount of the tax payable by the corporation under Part IV for that particular taxation year or, in the case where the property was acquired by the partnership referred to in the first paragraph, that would have been payable by the corporation under that Part if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that particular taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year.

Reduction of the amount of tax.

The amount to which the second paragraph refers is equal to the aggregate of all amounts each of which is a tax payable by the corporation to the Minister under this section, in respect of the costs incurred to acquire the property referred to in the first paragraph, for a taxation year preceding the repayment year or that would have been so payable, in the case where the property was acquired by the partnership referred to in the first paragraph, if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that preceding taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year.

Exception.

However, no tax is payable under this section, in relation to costs incurred to acquire the property referred to in the first paragraph, if section 1175.21.0.1 applies in respect of the property for the repayment year or applied in respect of the property for a preceding taxation year.

History: 1997, c. 85, s. 323; 2000, c. 39, s. 264; 2003, c. 9, s. 433; 2007, c. 12, s. 292.

Payment of tax.

1175.21.0.1. Every corporation that, in relation to a property described in the first paragraph of section 1137.5, has deducted, for any taxation year, an amount under paragraph *b.3* or *b.4* of section 1137 and, if it is a member of a partnership, because of subsection 3 of section 1136, in computing its paid-up capital determined under Part IV for the purpose of computing the tax payable by the corporation for that year under that Part, shall pay the tax computed under the second paragraph for a particular taxation year, if

(a) at any time between the corporation's filing-due date for the taxation year preceding the particular year and the day after the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser of the property or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, or, if it precedes the day that is the end of that period, the filing-due date, for the particular year, of the purchaser that owns the property at the end of the particular year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

i. by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property, or

ii. by a subsequent purchaser of the property that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property; or

(b) the qualification certificate issued in relation to an activity described in subparagraph *d* of the second paragraph of section 1137.5 for the carrying on of which the property described in subparagraph *c* of the first paragraph of section 1137.5 was acquired, is revoked on or before the corporation's filing-due date for the particular year.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the amount determined in accordance with the third paragraph is exceeded by the aggregate of all

amounts each of which is the amount by which the amount of the tax that would have been payable by the corporation under Part IV for a taxation year preceding the particular year if the corporation had not deducted, for that preceding year, in relation to the costs incurred to acquire the property referred to in the first paragraph, or to its share of such costs, an amount under paragraph *b.3* or *b.4* of section 1137 and, if it is a member of a partnership, because of subsection 3 of section 1136, in computing its paid-up capital determined under Part IV and if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that preceding taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the particular year, exceeds the amount of the tax payable by the corporation under Part IV for that preceding taxation year or, in the case where the property was acquired by the partnership, that would have been payable by the corporation under that Part if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that preceding taxation year and the income or loss of the partnership for that fiscal period had been the same as those for the partnership's fiscal period that ends in the particular year.

Reduction of the amount of tax.

The amount to which the second paragraph refers is equal to the aggregate of all amounts each of which is a tax payable by the corporation to the Minister, in respect of the costs incurred to acquire the property referred to in the first paragraph, under section 1175.21, for a taxation year preceding the particular year or that would have been so payable, in the case where the property was acquired by the partnership referred to in the second paragraph, if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that preceding taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the particular year.

History: 2007, c. 12, s. 293; 2009, c. 15, s. 451.

Payment of tax.

1175.21.1. Every corporation that, in relation to an eligible vessel, has deducted, for a particular taxation year, an amount under paragraph *b.2* or *b.2.1* of section 1137 and, if the corporation is a member of a partnership, because of subsection 3 of section 1136, in computing its paid-up capital determined under Part IV for the purpose of computing the tax payable by the corporation for the particular year under that Part, shall pay the tax computed under the second paragraph, for a subsequent taxation year, in this section referred to as the "repayment year", in which

(a) an amount relating to the eligible acquisition costs or the eligible conversion costs of the eligible vessel, or to its share of such costs, in respect of which the corporation has deducted an amount for a taxation year preceding the

repayment year is, directly or indirectly, refunded or otherwise paid to the corporation, or allocated to a payment to be made by the corporation; or

(b) ends a fiscal period of the partnership in which an amount relating to the eligible acquisition costs or the eligible conversion costs, as the case may be, of the eligible vessel of the partnership, in respect of which the corporation has deducted, in respect of its share of those costs, an amount for a taxation year preceding the repayment year is, directly or indirectly, refunded or otherwise paid to the partnership, or allocated to a payment to be made by the partnership.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the amount determined in accordance with the third paragraph is exceeded by the aggregate of all amounts each of which is the amount by which the amount of the tax that would have been payable by the corporation under Part IV for a particular taxation year preceding the repayment year and in respect of which the corporation has deducted an amount relating to the eligible acquisition costs or the eligible conversion costs of the eligible vessel, or to its share of such costs, if every amount that, at or before the end of the repayment year or of the fiscal period that ended in the repayment year, as the case may be, is so refunded, paid or allocated, in relation to those costs, had been refunded, paid or allocated in that particular taxation year or in the fiscal period that ended in the particular taxation year, as the case may be, and in the case where the costs were incurred by the partnership referred to in the first paragraph, if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that particular taxation year and the income or loss of the partnership for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year, exceeds the amount of the tax payable by the corporation under Part IV for that particular taxation year or, in the case where the costs were incurred by the partnership referred to in the first paragraph, that would have been payable by the corporation under that Part if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that particular taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year.

Reduction of the amount of tax.

The amount to which the second paragraph refers is equal to the aggregate of all amounts each of which is a tax payable by the corporation to the Minister under this section, in respect of the eligible acquisition costs or the eligible conversion costs of the eligible vessel, for a taxation year preceding the repayment year or that would have been so payable, in the case where the costs were incurred by the partnership referred to in the first paragraph, if the corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in that preceding

taxation year and the partnership's income or loss for that fiscal period had been the same as those for the partnership's fiscal period that ends in the repayment year.

History: 1999, c. 83, s. 271; 2007, c. 12, s. 294.

Deductibility of tax.

1175.21.2. The tax paid to the Minister by a corporation at any time in a taxation year under this Part is deemed, for the purposes of Title III of Book III of Part I and the definition of "total taxes" in the first paragraph of section 1029.8.36.167, to be a tax paid by the corporation under Part IV for that taxation year.

History: 2006, c. 36, s. 267.

Assessment.

1175.21.3. If, at any time in a taxation year, a qualification certificate referred to in subparagraph *d* of the second paragraph of section 1137.5 is revoked and, as a result, a corporation is required to pay a tax under section 1175.21.0.1, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the corporation, in relation to the tax.

Determination of interest.

For the purposes of section 1037 in respect of the tax, the corporation's balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.

Provisions not applicable.

Despite section 1175.22, sections 1000 to 1000.3 and 1002 to 1004 do not apply in relation to a tax that may be the subject of an assessment made under the first paragraph.

History: 2012, c. 8, s. 256.

Provisions applicable.

1175.22. Except where inconsistent with this Part, sections 17 to 21, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 1997, c. 85, s. 323; 1999, c. 83, s. 272.

PART VI.3 SPECIAL TAX RELATING TO A MAJOR INVESTMENT PROJECT

Definitions:

1175.23. In this Part,

"fiscal period";

"fiscal period" has the meaning assigned by Part I;

"major investment project";

"major investment project" has the meaning that would be assigned by the first paragraph of section 737.18.14 if the word "corporation", wherever it appears, were replaced by the word "person";

"person";

"person" has the meaning assigned by section 1;

"taxation year".

"taxation year" has the meaning assigned by Part I.

History: 2002, c. 9, s. 139; 2007, c. 12, s. 304.

Payment of tax.

1175.24. Where the initial qualification certificate issued by the Minister of Finance in respect of a major investment project is revoked, any person in respect of whom an amount has been determined under section 94.0.3.2 of the Tax Administration Act (chapter A-6.002), in relation to the major investment project, shall pay, for the person's taxation year in which the certificate was revoked, a tax equal to that amount.

History: 2002, c. 9, s. 139; 2010, c. 31, s. 175.

Payment of tax.

1175.25. Where the initial qualification certificate issued by the Minister of Finance in respect of a major investment project is revoked and an amount has been determined, in respect of a partnership, under section 94.0.3.3 of the Tax Administration Act (chapter A-6.002), in relation to the major investment project, any person that is a member of the partnership at the end of the partnership's fiscal period in which the certificate is revoked, shall pay, for the person's taxation year in which the fiscal period ends, a tax equal to the person's share of that amount.

Person's share.

For the purposes of the first paragraph, a person's share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership's fiscal period.

History: 2002, c. 9, s. 139; 2009, c. 15, s. 452; 2010, c. 31, s. 175.

Payment of tax.

1175.26. Where a qualification certificate issued by the Minister of Finance, in relation to a major investment project, in respect of a calendar year is revoked in a particular taxation year of a person and, in relation to the major investment project, that person deducted an amount in computing the person's taxable income under section 737.18.17, or in computing the person's paid-up capital under section 1138.2.2 or 1141.8, reduced the person's tax payable under Part VI pursuant to section 1170.1, or under Part VI.1 pursuant to section 1175.4.1, or paid or is deemed to have paid wages in respect of which no contribution was payable under the Act respecting the Régie de l'assurance maladie du Québec

(chapter R-5) because of subparagraph *d* of the seventh paragraph of section 34 of that Act, the person shall pay for the particular taxation year a tax equal to the aggregate of

(a) the aggregate of all amounts each of which is the amount by which the tax, in the third and fourth paragraphs referred to as the “notional tax”, that would have been payable by the person under Part I for a taxation year preceding the particular year, if, in relation to the amount deducted in computing the person’s taxable income, the revocation had been taken into account, exceeds the tax determined by the Minister, in the third paragraph referred to as the “real tax”, that is payable by the person under that Part for that preceding year;

(b) the aggregate of all amounts each of which is the amount by which the tax, in the third and fourth paragraphs referred to as the “notional tax on capital”, that would have been payable by the person under Part IV, VI or VI.1, for a taxation year preceding the particular year or a 12-month period ending in the preceding taxation year, as the case may be, if, in relation to the amount deducted in computing the person’s paid-up capital or to the reduction of the person’s tax payable under Part VI or VI.1, the revocation had been taken into account, exceeds the tax determined by the Minister, in the third paragraph referred to as the “real tax on capital”, that is payable by the person under Part IV, VI or VI.1 for that preceding year or that 12-month period; and

(c) the amount by which the amount of contribution payable by the person, taking the revocation into account, under section 34 of the Act respecting the Régie de l’assurance maladie du Québec, in respect of the wages paid or deemed to be paid in the calendar year, exceeds the amount of the contribution payable by the person, but for the revocation, under that section 34 in respect of those wages, except to the extent that that excess amount has become otherwise payable by the person.

Payment of tax.

Similarly, a person shall pay, for a particular taxation year, where the initial qualification certificate issued or deemed to be issued by the Minister of Finance, in respect of a major investment project, is revoked at any time in the particular year, a tax equal to the aggregate of all amounts each of which is the tax that would be payable by that person, under the first paragraph, for the particular year, if each qualification certificate valid at that time, issued by the Minister of Finance, in respect of a calendar year, in relation to the major investment project, were revoked in the particular year.

Computation.

If an amount, in this paragraph and in the fourth paragraph referred to as the “increased amount”, in respect of which the person could claim a deduction under a particular provision of this Act in computing the person’s taxable income or tax payable under Part I, or in computing the person’s paid-up

capital or tax payable under Part IV, for a preceding taxation year referred to in subparagraph *a* or *b* of the first paragraph, in this paragraph and in the fourth paragraph referred to as the “computation year”, for the purpose of determining the person’s notional tax or notional tax on capital, as the case may be, for the computation year, is greater than the amount, in this paragraph and in the fourth paragraph referred to as the “deducted amount”, that the person deducted under the particular provision for the purpose of determining the person’s real tax or real tax on capital, as the case may be, for the computation year, the increased amount rather than the deducted amount may be taken into account, for the purpose of determining the person’s notional tax or notional tax on capital, as the case may be, for the computation year, if

(a) the person so requests in writing to the Minister; and

(b) it may reasonably be considered that the amount by which the increased amount exceeds the deducted amount has not been deducted under the particular provision or another provision of this Act for the purpose of determining the person’s tax payable under Part I or the person’s tax payable under Part IV for any other taxation year, nor for the purpose of determining a tax of the person for any taxation year that is similar in nature to the person’s notional tax or notional tax on capital and is provided for in another portion of this Act.

Presumptions.

If the third paragraph applies, the amount by which the increased amount exceeds the deducted amount is deemed,

(a) for the purpose of determining the person’s notional tax for any taxation year subsequent to the computation year and for the application of Part I to the particular taxation year and to any subsequent taxation year, to have been deducted under the particular provision in computing the person’s taxable income or tax payable under Part I for the computation year; or

(b) for the purpose of determining the person’s notional tax on capital for any taxation year subsequent to the computation year, for the application of Part IV to the particular taxation year and to any subsequent taxation year and for the application of Parts VI.1.1 and VI.2 to any taxation year subsequent to the computation year, to have been deducted under the particular provision in computing the person’s paid-up capital or tax payable under Part IV for the computation year.

History: 2002, c. 9, s. 139; 2002, c. 40, s. 326; 2006, c. 36, s. 268.

Payment of tax.

1175.27. Where a qualification certificate issued by the Minister of Finance, in relation to a major investment project, in respect of a calendar year is revoked in a fiscal period of a partnership ending in a particular taxation year of a person who is a member of the partnership at the end of

that fiscal period and, in relation to the major investment project, the partnership has paid or is deemed to have paid for a pay period included in the calendar year wages, that person shall pay for the particular taxation year a tax equal to the person's share of the amount by which the amount of the contribution payable by the partnership, taking the revocation into account, under section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), in respect of the wages paid or deemed to be paid in the calendar year, exceeds the amount of the contribution payable by the partnership, but for the revocation, under that section 34, in respect of those wages, except to the extent that that excess amount has become otherwise payable by the partnership.

Payment of tax.

Similarly, where the initial qualification certificate issued or deemed to have been issued by the Minister of Finance to a partnership, in relation to a major investment project, is revoked at any time in a fiscal period of the partnership ending in a particular taxation year of a person who is a member of the partnership at the end of that fiscal period, that person shall pay for the particular year a tax equal to the aggregate of all amounts each of which is the tax that would be payable by that person, under the first paragraph, for the particular year, if each qualification certificate valid at that time, issued by the Minister of Finance, in respect of a calendar year, in relation to the major investment project, were revoked in the fiscal period.

Person's share.

For the purposes of the first paragraph, a person's share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership's fiscal period.

History: 2002, c. 9, s. 139; 2006, c. 36, s. 269; 2009, c. 15, s. 453.

Deductibility of tax.

1175.27.1. If, at any time in a taxation year, a person pays tax to the Minister under any of sections 1175.24 to 1175.27, the following rules apply:

(a) in the case of section 1175.24, the portion of that tax that corresponds to the amount determined under subparagraph *b* or *c* of the first paragraph of section 94.0.3.2 of the Tax Administration Act (chapter A-6.002) is deemed, for the purposes of Title III of Book III of Part I, to be an amount of assistance repaid at that time by the person pursuant to a legal obligation;

(b) in the case of section 1175.25, that tax is deemed, for the purposes of Title III of Book III of Part I, to be an amount of assistance repaid at that time by the partnership referred to in that section pursuant to a legal obligation;

(c) in the case of section 1175.26,

i. the portion of that tax that is determined under subparagraph *a* of the first paragraph of that section, or under the second paragraph of that section because of that subparagraph, is deemed, for the purposes of the definition of "total taxes" in the first paragraph of section 1029.8.36.167, to be a tax that the person pays under Part I for that taxation year,

ii. the portion of that tax that is determined under subparagraph *b* of the first paragraph of that section, or under the second paragraph of that section because of that subparagraph, is deemed, for the purposes of Title III of Book III of Part I and the definition of "total taxes" in the first paragraph of section 1029.8.36.167, to be a tax that the person pays under Part IV, VI or VI.1 for that taxation year, and

iii. the portion of that tax that is determined under subparagraph *c* of the first paragraph of that section, or under the second paragraph of that section because of that subparagraph, is deemed, for the purposes of Title III of Book III of Part I, to be an amount that the person pays for that taxation year as a contribution under section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5); and

(d) in the case of section 1175.27, that tax is deemed, for the purposes of Title III of Book III of Part I, to be an amount that the partnership referred to in that section pays for its fiscal period that includes that time as a contribution under section 34 of the Act respecting the Régie de l'assurance maladie du Québec.

History: 2006, c. 36, s. 270; 2010, c. 31, s. 175.

Assessment.

1175.27.2. If, at any time in a taxation year, a qualification certificate that was issued in relation to a major investment project is revoked and, as a result, a person is required to pay a tax under a provision of this Part, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the person, in relation to the tax.

Determination of interest.

For the purposes of section 1037 in respect of the tax, the person's balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.

History: 2012, c. 8, s. 257.

Provisions applicable.

1175.28. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1001, 1005 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph

of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2002, c. 9, s. 139; 2012, c. 8, s. 258.

Reference to a repealed provision.

1175.28.0.0.1. In this Part, a reference to section 94.0.3.2 or 94.0.3.3 of the Tax Administration Act (chapter A-6.002), to any of sections 737.18.14, 737.18.17, 1170.1 and 1175.4.1 of this Act or to subparagraph *d* of the seventh paragraph of section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is a reference to that section or paragraph, as the case may be, as it read for the taxation year or calendar year concerned.

History: 2019, c. 14, s. 467.

PART VI.3.0.1 SPECIAL TAX RELATING TO THE DEDUCTION FOR INNOVATIVE MANUFACTURING CORPORATIONS

Definitions:

1175.28.0.1. In this Part,

“corporation”;

“corporation” has the meaning assigned by Part I;

“qualified patented part”;

“qualified patented part” has the meaning assigned by the first paragraph of section 737.18.36;

“qualified property”;

“qualified property” has the meaning assigned by the first paragraph of section 737.18.36;

“taxation year”.

“taxation year” has the meaning assigned by Part I.

History: 2017, c. 29, s. 222.

Tax liability.

1175.28.0.2. Where a corporation has deducted an amount under section 737.18.40 in computing its taxable income for a taxation year (in this paragraph referred to as a “preceding year”) in relation to a qualified patented part of the corporation that is incorporated into a qualified property of the corporation and if in a subsequent taxation year (in this section referred to as the “tax liability year”) any of the circumstances described in the second paragraph applies in respect of the qualified patented part, the corporation shall pay for the tax liability year a tax equal to the aggregate of all amounts each of which is the amount by which the tax (in the second and third paragraphs referred to as the “notional tax”) that the corporation would have had to pay under Part I for a preceding year if no amount had been deducted by the corporation in computing its taxable income for that preceding year in relation to the qualified patented part exceeds the tax determined by the Minister (in the second paragraph referred to as the “real tax”) that is payable by the corporation under that Part for that preceding year.

Circumstances.

The circumstances to which the first paragraph refers, in respect of an invention that is a qualified patented part of a corporation, are the following:

(a) the patent issued in respect of the invention is invalidated in accordance with an Act referred to in subparagraph *i* of paragraph *c* of the definition of “qualified patented part” in the first paragraph of section 737.18.36;

(b) the application for a patent, in respect of the invention that is, under the second paragraph of section 737.18.36, the qualified patented part of the corporation, has not resulted in the issue of a patent by a competent authority within five years after the day on which the application was made;

(c) a redetermination by the Minister reduces to zero the aggregate of all amounts each of which is an amount that a corporation is deemed to have paid to the Minister for a taxation year under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX of Part I in respect of the scientific research and experimental development work from which the invention derives; and

(d) a redetermination by the Minister reduces to less than \$500,000 the total described in the first paragraph of section 737.18.39 that was taken into account for the purpose of determining whether the corporation has made sustained innovation efforts in relation to the invention.

Computation.

Where an amount (in this paragraph and in the fourth paragraph referred to as the “increased amount”), in respect of which the corporation could claim a deduction under a particular provision of this Act in computing its taxable income or tax payable under Part I for a preceding taxation year referred to in the first paragraph (in this paragraph and in the fourth paragraph referred to as the “computation year”) for the purpose of determining its notional tax for the computation year, is greater than the amount (in this paragraph and in the fourth paragraph referred to as the “deducted amount”) that the corporation deducted under the particular provision for the purpose of determining its real tax for the computation year, the increased amount rather than the deducted amount may be taken into account, for the purpose of determining the corporation’s notional tax for the computation year, if

(a) the corporation so requests in writing to the Minister; and

(b) it may reasonably be considered that the amount by which the increased amount exceeds the deducted amount has not been deducted under the particular provision or another provision of this Act for the purpose of determining the corporation’s tax payable under Part I for any other taxation year, nor for the purpose of determining a tax of the corporation for any taxation year that is similar in nature to

the corporation's notional tax and is provided for in another part of this Act.

Presumption.

If the third paragraph applies, the amount by which the increased amount exceeds the deducted amount is deemed, for the purpose of determining the corporation's notional tax for any taxation year subsequent to the computation year and for the application of Part I to the tax liability year and to any subsequent taxation year, to have been deducted under the particular provision in computing the corporation's taxable income or tax payable, as the case may be, under Part I for the computation year.

History: 2017, c. 29, s. 222.

Tax deemed paid under Part I.

1175.28.0.3. The tax paid to the Minister by a corporation at any time in a taxation year under section 1175.28.0.2 is deemed, for the purposes of the definition of "total taxes" in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, to be a tax paid by the corporation under Part I for that taxation year.

History: 2017, c. 29, s. 222.

Provisions applicable to this Part.

1175.28.0.4. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2017, c. 29, s. 222.

PART VI.3.1

SPECIAL TAX RELATING TO THE REVOCATION OR REPLACEMENT OF CERTIFICATES OR SIMILAR DOCUMENTS

Definitions:

1175.28.1. In this Part, unless the context indicates otherwise,

"fiscal period";

"fiscal period" has the meaning assigned by Part I;

"person";

"person" has the meaning assigned by Part I;

"taxation year".

"taxation year" has the meaning assigned by Part I.

History: 2006, c. 36, s. 271; 2007, c. 12, s. 304.

Specification.

1175.28.2. For the purposes of this Part, a document enclosed with a favourable advance ruling or with a

certificate, a qualification certificate or another similar document is considered, if it is not in itself a favourable advance ruling or a certificate, a qualification certificate or another similar document, to be an integral part of the document with which it is enclosed.

History: 2006, c. 36, s. 271.

Rules applicable.

1175.28.3. For the purposes of this Part, the following rules apply:

(a) the favourable advance ruling given in respect of a property for the purposes of any of Divisions II to II.6.15 of Chapter III.1 of Title III of Book IX of Part I is deemed to be revoked at a particular time if

i. the favourable advance ruling ceases to be in force at that time and no certificate or qualification certificate is issued in respect of the property for the purposes of that division, or

ii. the certificate or qualification certificate issued in respect of the property for the purposes of that division is revoked at that time; and

(b) if the issue of a certificate or qualification certificate, in this paragraph referred to as the "initial document", is a condition that must be met, directly or indirectly, to allow the issue of another certificate or qualification certificate, in this paragraph referred to as the "other document", and the initial document is revoked without the other document being revoked at the same time, the other document, to the extent that it relates to a period for which the revocation is effective, is deemed, unless it is necessary to allow an individual, because the individual is an employee within the meaning of section 1, to deduct an amount in computing the individual's taxable income for the purposes of Part I, to be revoked at the time the initial document is revoked and to be a document to which the same revocation notice applies.

History: 2006, c. 36, s. 271.

Deemed replacement.

1175.28.4. For the purposes of this Part, if a favourable advance ruling or a certificate, a qualification certificate or another similar document is, without being replaced, modified at a particular time by the revocation or replacement of a portion of that document or in any other manner, the document before the modification and the document as modified are deemed to be separate documents the first of which has been replaced by the second at the particular time.

History: 2006, c. 36, s. 271.

Revocation or replacement.

1175.28.5. For the purposes of the second paragraph of sections 1175.28.6, 1175.28.9 and 1175.28.15 and the third paragraph of section 1175.28.12, an amount that must be

determined with reference to the revocation or replacement of a favourable advance ruling or of a certificate, a qualification certificate or another similar document must be determined on the assumption that

(a) the favourable advance ruling or the certificate, qualification certificate or other similar document that has been revoked was never given or issued; and

(b) the favourable advance ruling or the certificate, qualification certificate or other similar document that has been replaced was never given or issued, and that the favourable advance ruling or the certificate, qualification certificate or other similar document that replaced it was given or issued at the time the document it replaces was given or issued.

Restriction.

However, in the case of the revocation or replacement of a certificate, a qualification certificate or another similar document that, as specified in the revocation or replacement notice, concerns only a part of the period to which the document related before its revocation or replacement, the certificate, qualification certificate or other similar document must not be considered, for the other part of that period, to have never been issued.

History: 2006, c. 36, s. 271.

Tax liability.

1175.28.6. Every person who is deemed, otherwise than because the person is a member of a partnership, to have paid an amount to the Minister, under a particular provision of any of Divisions II to II.6.15 of Chapter III.1 of Title III of Book IX of Part I, on account of the person's tax payable under Part I for a particular taxation year, shall, subject to special provisions of Parts III.0.1 to III.1.7 and III.7.1 to III.10.10, pay the tax computed under the second paragraph for a taxation year, in this section referred to as the "modification year", in which a favourable advance ruling or a certificate, a qualification certificate or another similar document that has been given or issued by a Minister or body and that was required for the purposes of the particular provision for the particular taxation year is revoked or replaced.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is the total of the amounts that the person is deemed to have paid to the Minister, under the particular provision, for a taxation year preceding the modification year, which is such a particular taxation year, exceeds the aggregate of all amounts each of which is the total of the amounts that would be deemed to have been paid to the Minister by the person, under the particular provision, for such a preceding taxation year if every revocation and every replacement of such a

favourable advance ruling or of such a certificate, qualification certificate or other similar document that occurred at or before the end of the modification year was taken into account, except to the extent that it may reasonably be considered that the excess amount became payable by the person under this section for a taxation year preceding the modification year, or otherwise payable by the person for the modification year or a preceding taxation year.

Specification.

Despite the special provisions referred to in the first paragraph, the fact that, because of a special rule or otherwise, no tax is payable under Parts III.0.1 to III.1.7 and III.7.1 to III.10.10 in respect of the revocation or replacement of a document referred to in the first paragraph does not preclude the application of this section in respect of the revocation or replacement.

Deemed overpayment.

If, in relation to a taxation year, a person is deemed, under section 34.1.9 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), to have made an overpayment to the Minister, this section is to be construed as if that amount were,

(a) for any portion that is an amount that the person would be deemed, in relation to particular wages, to have paid to the Minister for the taxation year under section 1029.8.36.0.3.48 if that section were read without reference to its fourth and fifth paragraphs, an amount that the person is deemed, in relation to the particular wages, to have paid to the Minister, under section 1029.8.36.0.3.48, on account of the person's tax payable under Part I for the taxation year; and

(b) for any portion that is an amount that the person would be deemed, in relation to particular wages, to have paid to the Minister for the taxation year under section 1029.8.36.0.3.57 if that section were read without reference to its second and third paragraphs, an amount that the person is deemed, in relation to the particular wages, to have paid to the Minister under section 1029.8.36.0.3.57, on account of the person's tax payable under Part I for the taxation year.

History: 2006, c. 36, s. 271.

Restriction on other special taxes.

1175.28.7. If a person is required to pay tax for any taxation year under section 1175.28.6, the tax that the person is required to pay for a subsequent taxation year, under a particular provision of any of Parts III.0.1 to III.1.7 and III.7.1 to III.10.10, may not, despite the particular provision, be greater than the amount by which the tax otherwise determined exceeds the portion of that tax that may reasonably be considered to have become payable by the person under section 1175.28.6 for a taxation year preceding the subsequent taxation year.

History: 2006, c. 36, s. 271.

Deemed repayment of assistance.

1175.28.8. If, at any time, a person pays tax to the Minister under section 1175.28.6 in relation to the first aggregate referred to in the second paragraph of that section, the portion of the tax that may reasonably be considered to relate to a property, a cost, an expenditure or to other expenses relating to the aggregate is deemed, for the purposes of Part I but excluding the division of Chapter III.1 of Title III of Book IX of Part I that relates to the aggregate, to be an amount of assistance repaid by the person at that time in respect of the property, cost, expenditure or other expenses, as the case may be, pursuant to a legal obligation, except to the extent that the aggregate is deemed, for the purposes of Part I and the regulations, not to be an amount of assistance nor an inducement received by the person from a government.

History: 2006, c. 36, s. 271.

Tax liability.

1175.28.9. Every person who is deemed, because the person is a member of a partnership at the end of a fiscal period of the partnership that ends in a particular taxation year of the person, to have paid an amount to the Minister, under a particular provision of any of Divisions II to II.6.15 of Chapter III.1 of Title III of Book IX of Part I, on account of the person's tax payable under Part I for the particular taxation year, shall, subject to special provisions of Parts III.0.1 to III.1.7 and III.7.1 to III.10.10, pay the tax computed under the second paragraph for a taxation year in which ends a subsequent fiscal period of the partnership, in this section referred to as the "fiscal period of the modification", in which a certificate, a qualification certificate or another similar document that has been issued by a Minister or body and that was required for the purposes of the particular provision for the particular taxation year is revoked or replaced.

Amount of tax.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is the total of the amounts that, if the rule set out in the third paragraph applied, would be deemed to have been paid to the Minister, under the particular provision, by the person for a given taxation year that is such a particular taxation year in which ends a fiscal period of the partnership that precedes the fiscal period of the modification, exceeds the aggregate of all amounts each of which is the total of the amounts that would be deemed to have been paid to the Minister, under the particular provision, by the person for such a given taxation year if the rule set out in the third paragraph applied and if every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the fiscal period of the modification was taken into account, except to the extent that it could reasonably be considered that, if the rule set out in the third paragraph applied, the excess amount would have

become payable by the person under this section for a taxation year preceding the taxation year in which the fiscal period of the modification ends, or otherwise payable by the person for the taxation year in which that fiscal period ends or for a preceding taxation year.

Rule applicable.

The rule to which the second paragraph refers is the rule whereby it shall be considered that the agreed proportion in respect of the person for a fiscal period of the partnership that ends in a taxation year of the person and at the end of which the person is a member of the partnership is the same as that for the fiscal period of the modification.

Specification.

Despite the special provisions referred to in the first paragraph, the fact that, because of a special rule or otherwise, no tax is payable under Parts III.0.1 to III.1.7 and III.7.1 to III.10.10 in respect of the revocation or replacement of a document referred to in the first paragraph does not preclude the application of this section in respect of the revocation or replacement.

History: 2006, c. 36, s. 271; 2009, c. 15, s. 454.

Restriction on other special taxes.

1175.28.10. If a person is required to pay tax for any taxation year under section 1175.28.9, the tax that the person is required to pay for a subsequent taxation year, under a particular provision of any of Parts III.0.1 to III.1.7 and III.7.1 to III.10.10, may not, despite the particular provision, be greater than the amount by which the tax otherwise determined exceeds the portion of that tax that could reasonably be considered to have become payable by the person under section 1175.28.9 for a taxation year preceding the subsequent taxation year if the rule set out in the second paragraph applied.

Rule applicable.

The rule to which the first paragraph refers is the rule whereby it shall be considered that the agreed proportion in respect of the person for a fiscal period of the partnership that ends in a taxation year of the person and at the end of which the person is a member of the partnership is the same as that determined for the partnership's fiscal period that ends in the subsequent taxation year referred to in the first paragraph.

History: 2006, c. 36, s. 271; 2009, c. 15, s. 455.

Interposed partnership.

1175.28.10.1. For the purposes of sections 1175.28.9 and 1175.28.10, the following rules apply in respect of a person for a taxation year if one or more partnerships (each of which is in this section referred to as an "interposed partnership") are interposed between the person and a given partnership for a given fiscal period of the given partnership, and if the

person is deemed to have paid an amount to the Minister for a preceding taxation year under Chapter III.1 of Title III of Book IX of Part I, in respect of a cost, an expenditure or expenses incurred by that given partnership in a fiscal period of that given partnership that precedes the given fiscal period (in this section referred to as the “preceding fiscal period”):

(a) the person is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the person’s taxation year in which ends the fiscal period of the interposed partnership of which the person is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the person is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period; and

(b) the agreed proportion in respect of the person for the given partnership’s given fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership’s given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period.

History: 2009, c. 15, s. 456.

Deemed repayment of assistance.

1175.28.11. If, at any time, a person pays tax to the Minister under section 1175.28.9 in relation to the first aggregate referred to in the second paragraph of that section in respect of a partnership, the portion of the tax that may reasonably be considered to relate to a property, a cost, an expenditure or to other expenses relating to the aggregate is deemed, for the purposes of Part I but excluding the division of Chapter III.1 of Title III of Book IX of Part I that relates to the aggregate, to be an amount of assistance repaid at that time by the partnership in respect of the property, cost, expenditure or other expenses, as the case may be, pursuant to a legal obligation, except to the extent that the aggregate is

deemed, for the purposes of Part I and the regulations, not to be an amount of assistance nor an inducement received by the partnership from a government.

History: 2006, c. 36, s. 271.

Tax liability.

1175.28.12. Every person who, for a particular taxation year or at any given time in that year, enjoys any of the benefits described in the second paragraph shall, subject to special provisions of Parts VI.2 and VI.3, pay the tax computed under the third paragraph for a taxation year, in this section referred to as the “modification year”, in which a certificate, a qualification certificate or another similar document that has been issued by a Minister or body and that was required to enable the person to enjoy the benefit for the particular taxation year or at that given time is revoked or replaced.

Benefits referred to.

The benefits to which the first paragraph refers are

(a) a deduction in computing taxable income or the tax payable for the purposes of Part I, otherwise than under any of Titles V, VI.3 and VI.9 of Book IV or Title I of Book V;

(b) a deduction in computing paid-up capital for the purposes of Part IV;

(c) a reduction of the tax payable under Part VI or VI.1; and

(d) an exemption or a reduction of the contribution provided for in section 34 or 34.1.6 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5) in respect of wages or another amount.

Amount of tax.

The tax to which the first paragraph refers is equal to the aggregate of

(a) the aggregate of all amounts each of which is the amount by which the tax, in the fourth and fifth paragraphs referred to as the “notional tax”, that would have been payable by the person under Part I for a taxation year preceding the modification year, which is such a particular taxation year, if, in relation to the benefit referred to in the first paragraph and described in subparagraph *a* of the second paragraph, every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the modification year had been taken into account, exceeds the tax determined by the Minister, in the fourth paragraph referred to as the “real tax”, that is payable by the person under that Part for that preceding taxation year, except to the extent that it may reasonably be considered that the excess amount became payable by the person under this section for a taxation year preceding the modification year, or otherwise payable by the person for the modification year or a preceding taxation year;

(b) the aggregate of all amounts each of which is the amount by which the tax, in the fourth and fifth paragraphs referred to as the “notional tax on capital”, that would have been payable by the person under Part IV, IV.1, VI or VI.1 for a taxation year preceding the modification year, which is such a particular taxation year, or for a 12-month period ending in such a preceding taxation year, as the case may be, if, in relation to the benefit referred to in the first paragraph and described in subparagraph *b* or *c* of the second paragraph, every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the modification year had been taken into account, exceeds the tax determined by the Minister, in the fourth paragraph referred to as the “real tax on capital”, that is payable by the person under this Part for that preceding taxation year or 12-month period, except to the extent that it may reasonably be considered that the excess amount became payable by the person under this section for a taxation year preceding the modification year, or otherwise payable by the person for the modification year or a preceding taxation year;

(c) the aggregate of all amounts each of which is the amount by which the aggregate of the contributions that would be payable by the person under section 34 of the Act respecting the Régie de l'assurance maladie du Québec in respect of the wages paid or deemed to be paid in such a particular taxation year if every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the modification year was taken into account, exceeds the aggregate of the contributions, determined without taking any such revocation or replacement into account, that are payable by the person under section 34 of that Act in respect of the wages paid or deemed to be paid in that particular taxation year, except to the extent that it may reasonably be considered that the excess amount became payable by the person under this section for a taxation year preceding the modification year, or otherwise payable by the person for the modification year or a preceding taxation year; and

(d) the aggregate of all amounts each of which is the amount by which the contribution that would be payable by the person under section 34.1.6 of the Act respecting the Régie de l'assurance maladie du Québec for a taxation year preceding the modification year, which is such a particular taxation year, if every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the modification year was taken into account, exceeds the contribution, determined without taking any such revocation or replacement into account, that is payable by the person under section 34.1.6 of that Act for that preceding taxation year, except to the extent that it may reasonably be considered that the excess amount became payable by the person under this section for a taxation year preceding the modification year, or otherwise payable by the person for the modification year or a preceding taxation year.

Computation.

If an amount, in this paragraph and in the fifth paragraph referred to as the “increased amount”, in respect of which the person could claim a deduction under a particular provision of this Act in computing the person’s taxable income or tax payable under Part I, or in computing the person’s paid-up capital or tax payable under Part IV, for a preceding taxation year referred to in the first instance in subparagraph *a* or *b* of the third paragraph, in this paragraph and in the fifth paragraph referred to as the “computation year”, for the purpose of determining the person’s notional tax or notional tax on capital, as the case may be, for the computation year, is greater than the amount, in this paragraph and in the fifth paragraph referred to as the “deducted amount”, that the person deducted under the particular provision for the purpose of determining the person’s real tax or real tax on capital, as the case may be, for the computation year, the increased amount rather than the deducted amount may be taken into account for the purpose of determining the person’s notional tax or notional tax on capital, as the case may be, for the computation year, if

(a) the person so requests in writing to the Minister; and

(b) it may reasonably be considered that the amount by which the increased amount exceeds the deducted amount has not been deducted under the particular provision or another provision of this Act for the purpose of determining the person’s tax payable under Part I or the person’s tax payable under Part IV for any other taxation year, nor for the purpose of determining a tax of the person for any taxation year that is similar in nature to the person’s notional tax or notional tax on capital and is provided for in another portion of this Act.

Presumptions.

If the fourth paragraph applies, the amount by which the increased amount exceeds the deducted amount is deemed,

(a) for the purpose of determining the person’s notional tax for any taxation year subsequent to the computation year and for the application of Part I to the modification year and to any subsequent taxation year, to have been deducted under the particular provision in computing the person’s taxable income or tax payable under Part I for the computation year; or

(b) for the purpose of determining the person’s notional tax on capital for any taxation year subsequent to the computation year, for the application of Part IV to the modification year and to any subsequent taxation year and for the application of Parts VI.1.1 and VI.2 to any taxation year subsequent to the computation year, to have been deducted under the particular provision in computing the person’s paid-up capital or tax payable under Part IV for the computation year.

Specification.

Despite the special provisions referred to in the first paragraph, the fact that no tax is payable under Parts VI.2 and VI.3 in respect of the revocation or replacement of a document referred to in the first paragraph does not preclude the application of this section in respect of the revocation or replacement.

History: 2006, c. 36, s. 271.

Restriction on other special taxes.

1175.28.13. If a person is required to pay tax for any taxation year under section 1175.28.12, the tax that the person is required to pay for a subsequent taxation year, under a particular provision of any of Parts III.6.4 to III.6.6, VI.2 and VI.3, may not, despite the particular provision, be greater than the amount by which the tax otherwise determined exceeds the portion of that tax that may reasonably be considered to have become payable by the person under section 1175.28.12 for a taxation year preceding the subsequent taxation year.

History: 2006, c. 36, s. 271; 2007, c. 12, s. 295; 2015, c. 36, s. 166; 2017, c. 1, s. 389.

Deductibility of tax.

1175.28.14. If, at any time in a taxation year, a person pays tax to the Minister under section 1175.28.12, the following rules apply:

(a) the portion of that tax that is determined under subparagraph *a* of the third paragraph of that section is deemed, for the purposes of the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, to be a tax that the person pays under Part I for that taxation year;

(a.1) the portion of that tax that is determined under subparagraph *a* of the third paragraph of that section and that may reasonably be considered as relating to a deduction under any of Titles III.3, III.4 and III.5 of Book V of Part I in relation to an expense is deemed to be, for the purposes of Part I, except for that Title III.3, that Title III.4 and Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX or that Title III.5, as the case may be, and the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, an amount of assistance repaid at that time by the person in respect of the expense pursuant to a legal obligation;

(b) the portion of that tax that is determined under subparagraph *b* of the third paragraph of that section is deemed, for the purposes of Title III of Book III of Part I and the definition of “total taxes” in the first paragraph of section 1029.8.36.167, to be a tax that the person pays under Part IV, IV.1, VI or VI.1, as the case may be, for that taxation year;

(c) the portion of that tax that is determined under subparagraph *c* of the third paragraph of that section is deemed, for the purposes of Title III of Book III of Part I, to be an amount that the person pays for that taxation year as a contribution under section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5); and

(d) *(paragraph repealed)*.

History: 2006, c. 36, s. 271; 2007, c. 12, s. 296; 2009, c. 5, s. 569; 2015, c. 36, s. 167; 2017, c. 1, s. 390; 2017, c. 29, s. 223.

Tax liability.

1175.28.15. Every person who is a member of a partnership at the end of a particular fiscal period of the partnership that ends in a particular taxation year of the person shall, subject to special provisions of Part VI.3, pay the tax computed under the second paragraph for the particular taxation year if

(a) in any given fiscal period of the partnership, the partnership paid or is deemed to have paid wages in respect of which an exemption or a reduction of the contribution provided for in section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) was allowed;

(b) a certificate, a qualification certificate or another similar document, issued by a Minister or body, was required to enable the partnership to enjoy the exemption or reduction referred to in subparagraph *a*; and

(c) the certificate, qualification certificate or other similar document referred to in subparagraph *b* is revoked or replaced in the particular fiscal period.

Amount of tax.

The tax to which the first paragraph refers is equal to the person's share of the aggregate of all amounts each of which is the amount by which the aggregate of the contributions that would be payable by the partnership under section 34 of the Act respecting the Régie de l'assurance maladie du Québec in respect of the wages paid or deemed to be paid in such a given fiscal period if every revocation and every replacement of such a certificate, qualification certificate or other similar document that occurred at or before the end of the particular fiscal period was taken into account, exceeds the aggregate of the contributions, determined without taking any such revocation or replacement into account, that are payable by the partnership under section 34 of that Act in respect of the wages paid or deemed to be paid in the given fiscal period, except to the extent that it may reasonably be considered that the excess amount became payable by a person under this section for a taxation year preceding the particular taxation year, otherwise payable by a person for the particular taxation year or a preceding taxation year, or otherwise payable by the partnership for the given fiscal period.

Person's share.

For the purposes of the second paragraph, a person's share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership's particular fiscal period.

Specification.

Despite the special provisions referred to in the first paragraph, the fact that no tax is payable under Part VI.3 in respect of the replacement of a document referred to in the first paragraph does not preclude the application of this section in respect of the replacement.

History: 2006, c. 36, s. 271; 2009, c. 15, s. 457.

Restriction on other special taxes.

1175.28.16. The tax that a person is required to pay for a taxation year under section 1175.27 may not, despite that section, be greater than the amount by which the tax otherwise determined exceeds the portion of that tax that may reasonably be considered to have become payable by a person under section 1175.28.15 for a preceding taxation year.

History: 2006, c. 36, s. 271.

Deductibility of tax.

1175.28.17. For the purposes of Title III of Book III of Part I, the tax paid to the Minister by a person at any time, under section 1175.28.15, in relation to a partnership, is deemed to be an amount that the partnership pays for its fiscal period that includes that time as a contribution under section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5).

History: 2006, c. 36, s. 271.

Assessment.

1175.28.17.1. If, at any time in a taxation year, a favourable advance ruling, certificate, qualification certificate or other similar document is revoked or replaced and, as a result, a person is required to pay a tax under a provision of this Part, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the person, in relation to the tax.

Determination of interest.

For the purposes of section 1037 in respect of the tax, the person's balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.

History: 2012, c. 8, s. 259.

Provisions applicable.

1175.28.18. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564

where it refers to the first paragraph of section 549, sections 1001, 1005 to 1024 and 1026.0.1, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

History: 2006, c. 36, s. 271; 2012, c. 8, s. 260.

PART VI.4 PUBLIC UTILITY TAX

BOOK I INTERPRETATION AND GENERAL

Definitions:

1175.29. In this Part,

“eligible asset”;

“eligible asset” of the operator of a telecommunications system means an immovable subject to tax that is part of the operator's system and that

(a) is acquired or leased by the operator after 31 December 2005, but is not an immovable acquired or leased pursuant to an obligation in writing entered into before 1 January 2006 or the construction of which had begun before that date;

(b) begins to be used within a reasonable time after being so acquired or leased;

(c) is used mainly in the course of carrying on a business; and

(d) was not, before being acquired, used for any purpose or acquired to be used or leased for any purpose whatever; or

(e) was not, before being first leased as described in paragraph *a*, used for any purpose nor acquired to be used or leased for any purpose whatever other than to be so leased and the operator has never ceased leasing the property since its being so leased;

“financial statements”;

“financial statements” means the financial statements prepared in accordance with generally accepted accounting principles which, in the case of the financial statements of a corporation, are submitted to the shareholders of the corporation or, in the case of the financial statements of a partnership, are submitted to the members of the partnership, or, if such financial statements have not been prepared or have not been prepared in accordance with generally accepted accounting principles, such financial statements if they had been prepared in accordance with generally accepted accounting principles;

“fiscal period”;

“fiscal period” has the meaning assigned by Part I;

“immovable subject to tax”;

“immovable subject to tax” means an immovable situated in Québec that must not be entered on the property assessment roll under any of sections 66 to 68 of the Act respecting municipal taxation (chapter F-2.1) or land that is the site of

such an immovable and that is described in paragraph 7 of section 204 of that Act;

“lessee”;

“lessee” of an immovable subject to tax means the person or partnership that pays a remuneration to a lessor, in relation to the immovable, in connection with the use by the lessee of a telecommunications or gas distribution system or an electric power production, transmission or distribution system that includes the immovable;

“lessor”;

“lessor” of an immovable subject to tax means the person or partnership that receives a remuneration from a lessee, in relation to the immovable, in connection with the use by the lessee of a telecommunications or gas distribution system or an electric power production, transmission or distribution system that includes the immovable;

“operator”;

“operator” means a person or partnership that operates or has operated a telecommunications or gas distribution system or an electric power production, transmission or distribution system certain immovables of which are immovables subject to tax;

“owner”;

“owner” of an immovable subject to tax means

(a) the person or partnership that holds the right of ownership to that immovable, except in the cases provided for in paragraphs *b* to *d*;

(b) the person or partnership that owns the immovable in the manner described in article 922 of the Civil Code, except in the cases provided for in paragraphs *c* and *d*;

(c) the person or partnership that owns the immovable as institute under a substitution or emphyteutic lessee, or, if the immovable is land in the domain of the State, the person or partnership that occupies it under a promise of sale, occupation licence or location ticket; or

(d) the person or partnership that owns the immovable as usufructuary otherwise than as a member of a group of usufructuaries each having a right of enjoyment periodically and successively in the immovable;

“person”;

“person” or any word or expression meaning a person includes a corporation and a trust;

“telecommunications”;

“telecommunications” means the transmission or broadcast of sound, images, signs, signals, data or messages by wire, cable, waves or other electric, electronic, magnetic, electromagnetic or optical means;

“trust”.

“trust” has the meaning assigned by section 1.

Reference to a fiscal period.

In this Part, the reference to a fiscal period ending in a calendar year includes a reference to a fiscal period the end of which coincides with the end of that calendar year.

History: 2005, c. 23, s. 261; 2005, c. 38, s. 334; 2006, c. 13, s. 227; 2007, c. 12, s. 297.

Associated operators.

1175.30. For the purposes of this Part, to determine whether an operator is associated, within the meaning of sections 21.20 to 21.25 and 781.1, with another operator in a fiscal period, the following rules apply:

(a) an operator who is an individual is deemed to be a corporation all the voting shares in the capital stock of which are owned by the individual at the time referred to in section 21.20, in this section referred to as the “particular time”;

(b) an operator that is a partnership is deemed to be a corporation whose fiscal period is the fiscal period of the partnership and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the proportion that the member’s share of the income or loss of the partnership for its fiscal period that includes the particular time is of the income or loss of the partnership for that fiscal period, on the assumption that, if the income and loss of the partnership for that fiscal period are nil, the partnership’s income for that fiscal period is equal to \$1,000,000; and

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

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

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

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

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

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

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

History: 2005, c. 23, s. 261.

Transfer of eligible assets.

1175.30.1. For the purposes of this Part, if, in any of the circumstances described in the second paragraph, a particular operator becomes, at any time, the owner of an immovable subject to tax or becomes the lessee of the immovable and the immovable subject to tax was, immediately before that time, an eligible asset of the operator that is the transferor or lessor of the immovable, the immovable subject to tax is deemed to be an eligible asset of the particular operator.

Circumstances considered.

The circumstances to which the first paragraph refers are the following:

(a) the particular operator becomes the owner of the immovable subject to tax in the course of a reorganization in respect of which, if a dividend were received by a corporation in the course of the reorganization, section 308.1 would not apply to the dividend because of the application of section 308.3; and

(b) the operator that is the transferor or lessor of the immovable subject to tax is a person with whom the particular operator is not dealing at arm's length, otherwise than because of a right referred to in paragraph b of section 20, at the time the particular operator becomes the owner of the immovable subject to tax or becomes the lessee of the immovable.

History: 2007, c. 12, s. 298.

BOOK II LIABILITY FOR AND AMOUNT OF THE TAX

Tax liability.

1175.31. A person or partnership that is an operator in a calendar year shall pay for that year, on or before 1 March of that year, a public utility tax.

Presumption.

For the purposes of the first paragraph, the person or partnership that operates a structure used to produce electric power supplied to another person or partnership operating an electric power production, transmission or distribution system is itself deemed to operate such a system.

History: 2005, c. 23, s. 261.

Tax payable.

1175.32. The public utility tax to be paid by an operator for a calendar year is equal to

(a) in the case of the operation of a telecommunications system, the aggregate of

i. 0.70% of the aggregate of

(1) the portion of the net value of the assets forming part of the operator's system, for the operator's last fiscal period that ends in the preceding calendar year, that is attributable to immovables subject to tax that are not eligible assets and that does not exceed \$750,000,000, and

(2) the portion of the net value of the assets forming part of the operator's system, for the operator's last fiscal period that ends in the preceding calendar year, that is attributable to eligible assets, and

ii. 10.5% of the portion of the net value of the assets forming part of the operator's system, for the operator's last fiscal period that ends in the preceding calendar year, that is attributable to immovables subject to tax that are not eligible assets and that exceeds \$750,000,000;

(b) in the case of the operation of a gas distribution system, the aggregate of

i. 0.75% of the portion of the net value of the assets forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that does not exceed \$750,000,000, and

ii. 1.50% of the portion of the net value of the assets forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that exceeds \$750,000,000; and

(c) in the case of the operation of an electric power production, transmission or distribution system, the aggregate of

i. 0.20% of the portion of the net value of the assets forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that does not exceed \$750,000,000, and

ii. 0.55% of the portion of the net value of the assets forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that exceeds \$750,000,000.

History: 2005, c. 23, s. 261; 2007, c. 12, s. 299.

Operation of more than one system.

1175.33. Despite section 1175.32, if an operator is not associated, within the meaning of sections 21.20 to 21.25 and 781.1, with any other operator in a fiscal period and the operator operates, in that fiscal period, more than one telecommunications or gas distribution system or more than one electric power production, transmission or distribution system, the amount of \$750,000,000 provided for in section 1175.32 and determined in respect of each of those systems, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that the operator allocates, in prescribed form, in respect of that system, in relation to that fiscal period.

Maximum amount.

The aggregate of the amounts allocated in relation to a fiscal period under the first paragraph may not exceed \$750,000,000.

Allocation by the Minister.

If an operator does not make the allocation provided for in the first paragraph in relation to a fiscal period or if the aggregate of the amounts allocated by an operator under the first paragraph in relation to a fiscal period exceeds \$750,000,000, the amount of \$750,000,000 provided for in section 1175.32 and determined in respect of each of those systems, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that the Minister allocates in respect of that system, in relation to that fiscal period.

Amount to be allocated.

The aggregate of the amounts allocated by the Minister under the third paragraph, in relation to a fiscal period of an operator, must be equal to \$750,000,000.

History: 2005, c. 23, s. 261.

Associated operators.

1175.34. Despite section 1175.32, if an operator is associated, within the meaning of sections 21.20 to 21.25 and

781.1, with another operator in a fiscal period that ends in a particular calendar year, the amount of \$750,000,000 provided for in section 1175.32, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that is allocated to the operator for that fiscal period in accordance with the agreement under which all the operators that are associated with each other in their fiscal period that ends in the particular calendar year allocate, for the purposes of this Part, in prescribed form, an amount to one or more of them for the fiscal period.

Maximum amount.

The aggregate of the amounts allocated for a fiscal period under the first paragraph may not exceed \$750,000,000.

Allocation by the Minister.

If the operators that are associated with each other do not make the allocation provided for in the first paragraph in relation to a fiscal period or if the aggregate of the amounts allocated under the first paragraph, in relation to a fiscal period, exceeds \$750,000,000, the amount of \$750,000,000 provided for in section 1175.32, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that the Minister allocates, for that fiscal period, to one or each of the operators so associated.

Amount to be allocated.

The aggregate of the amounts allocated by the Minister under the third paragraph, in relation to operators associated in a fiscal period, must be equal to \$750,000,000.

History: 2005, c. 23, s. 261.

Associated operators

1175.35. Despite sections 1175.32 and 1175.34, if an operator is associated, within the meaning of sections 21.20 to 21.25 and 781.1, with another operator in a fiscal period and the operator operates, in that fiscal period, more than one telecommunications or gas distribution system or more than one electric power production, transmission or distribution system, the amount that was allocated to the operator under section 1175.34, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that the operator allocates, in prescribed form, in respect of each of those systems, in relation to that fiscal period.

Maximum amount.

The aggregate of the amounts allocated in relation to a fiscal period under the first paragraph may not exceed the amount that was allocated to the operator under section 1175.34, in relation to that fiscal period.

Allocation by the Minister.

If an operator does not make the allocation provided for in the first paragraph in relation to a fiscal period or if the aggregate of the amounts allocated by an operator under the first paragraph in relation to a fiscal period exceeds the amount that was allocated to the operator under section 1175.34, the amount so allocated under that section, in relation to that fiscal period, must be replaced, wherever it appears, by the greater of \$0 and the portion of that amount that the Minister allocates in respect of each of the systems operated by the operator, in relation to that fiscal period.

Amount to be allocated.

The aggregate of the amounts allocated by the Minister under the third paragraph, in relation to a fiscal period of an operator, must be equal to the amount that was allocated to the operator under the first paragraph of section 1175.34.

History: 2005, c. 23, s. 261.

Unwarranted reduction of the amount of public utility tax.

1175.35.1. For the purpose of determining the amount of the tax payable under this Part by an operator for a calendar year, an immovable subject to tax that is transferred by the operator before the end of the last fiscal period ended in the preceding calendar year is deemed to be an immovable subject to tax of the operator at the end of the fiscal period if the Minister is of the opinion that the transfer is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to reduce the amount of tax payable under this Part by the operator for the calendar year.

History: 2007, c. 12, s. 300.

BOOK III COMPUTATION OF THE NET VALUE OF THE ASSETS

Net value of the assets.

1175.36. In this Part, the net value of the assets forming part of a system, determined in respect of an operator for a particular fiscal period, means the aggregate of all amounts each of which is

(a) the excess amount, as shown in the operator's financial statements prepared for the particular fiscal period, that is the amount by which the cost of an immovable subject to tax that is included in the system of the operator and of which the operator is the owner at the end of the particular fiscal period exceeds the accumulated depreciation;

(b) unless subparagraph *c* applies, the amount determined by the following formula in respect of an immovable subject to tax that is included in the system of the operator and of which the operator is the lessee at any time in the particular fiscal period:

$(A \times 10) / 365 / B$; or

(c) the excess amount, as shown in the operator's financial statements prepared for the operator's last fiscal period that ends in the calendar year in which the particular fiscal period ends, that is the amount by which the cost to the owner of an immovable subject to tax that is included in the system of the operator and of which the operator is the lessee at any time in the particular fiscal period exceeds the accumulated depreciation, where the owner is the lessor of the immovable subject to tax, in relation to the operator, and the owner and operator were not dealing with each other at arm's length at the time the operator became the lessee of the immovable subject to tax or, if the owner is not the lessor of the immovable subject to tax, in relation to the operator, where each person or partnership that is a lessor of the immovable subject to tax, in relation to a lessee, and that lessee were not dealing with each other at arm's length at the time the person or partnership became the lessor of the immovable subject to tax in relation to that lessee.

Interpretation.

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

(a) *A* is the portion of the rental cost of the immovable incurred in the particular fiscal period by the operator; and

(b) *B* is the number of days in the particular fiscal period.

Provisions not applicable.

Subparagraphs *b* and *c* of the first paragraph do not apply in respect of an immovable subject to tax of which an operator is the lessee at any time in the operator's last fiscal period that ends in a calendar year if that immovable is shown in the financial statements of another operator that is the owner of that immovable, prepared for that operator's last fiscal period that ends in the calendar year.

Operator deemed to be owner.

For the purposes of this section, an operator who uses an immovable subject to tax in a capacity other than owner during the operator's last fiscal period that ends in a calendar year is deemed to be the owner of that immovable subject to tax at the end of that fiscal period and is deemed not to be a lessee of that immovable subject to tax if that immovable constitutes an asset of the operator shown in the operator's financial statements prepared for that fiscal period.

History: 2005, c. 23, s. 261; 2005, c. 38, s. 335.

Transfer of an immovable subject to tax.

1175.36.1. Despite section 1175.36, if an operator transfers, in a calendar year, to a person or partnership an immovable subject to tax that forms part of a system of the operator, the following rules apply:

(a) in the case where the person or partnership is also an operator and

i. the immovable subject to tax is transferred by the operator in a fiscal period that ends in the calendar year, in this paragraph referred to as the “particular fiscal period”, the amount that is the excess amount, as it would have been shown in the operator’s financial statements had the operator still owned the immovable subject to tax at the end of the particular fiscal period, that is the amount by which the cost of the immovable subject to tax exceeds the accumulated depreciation at the end of the fiscal period that precedes the particular fiscal period, must be added to the net value of the assets forming part of the operator’s system for the operator’s last fiscal period that ends in the calendar year, unless the immovable subject to tax forms part of a system of the person or partnership and is shown in the person’s or partnership’s financial statements for the person’s or partnership’s last fiscal period that ends in the calendar year, at the end of which the person or partnership owns the immovable, or

ii. the immovable subject to tax forms part of a system of the person or partnership and is shown both in the person’s or partnership’s financial statements for the person’s or partnership’s last fiscal period that ends in the calendar year, at the end of which the person or partnership owns the immovable, and in the transferor’s financial statements for the transferor’s last fiscal period that ends in the calendar year, the amount that is the amount by which the cost of the immovable subject to tax exceeds the accumulated depreciation, as shown in the person’s or partnership’s financial statements for that fiscal period, may be subtracted from the net value of the assets forming part of the person’s or partnership’s system for the person’s or partnership’s last fiscal period that ends in the calendar year; and

(b) in the case where the person or partnership is not an operator and the immovable subject to tax is transferred by the operator in a fiscal period that ends in the calendar year, in this paragraph referred to as the “particular fiscal period”, the amount that is the proportion of the excess amount, as it would have been shown in the operator’s financial statements had the operator still owned the immovable subject to tax at the end of the particular fiscal period, that is the amount by which the cost of the immovable subject to tax exceeds the accumulated depreciation at the end of the fiscal period that precedes the particular fiscal period, that the number of days in the particular fiscal period in which the operator owned the immovable subject to tax is of the number of days in the particular fiscal period, must be added to the net value of the assets of the operator for the operator’s last fiscal period that ends in the calendar year.

History: 2007, c. 12, s. 301.

1175.37. *(Repealed).*

History: 2005, c. 23, s. 261; 2007, c. 12, s. 302.

BOOK IV
MISCELLANEOUS PROVISIONS

Tax exemption.

1175.38. A person or partnership that is required to pay a tax provided for in section 222 of the Act respecting municipal taxation (chapter F-2.1) in a fiscal period, in relation to an electric power production system the person or partnership operates, and that consumes all the electric power the person or partnership produces is exempt from the public utility tax for the calendar year in which the fiscal period ends.

Tax payable.

A person or partnership that is required to pay a tax provided for in section 222 of the Act respecting municipal taxation in a fiscal period, in relation to an electric power production system the person or partnership operates, and that sells part of the electric power the person or partnership produces is required to pay the public utility tax for a calendar year to the extent that the amount of that tax exceeds the amount of the tax provided for in that section 222 that the person or partnership is required to pay in the fiscal period that ends in the calendar year.

Power consumption.

For the purposes of this section, the power consumed by a person or partnership related to the person or partnership that produces it is deemed to be consumed by the latter person or partnership.

History: 2005, c. 23, s. 261.

Tax exemption.

1175.39. A municipality is exempt from the public utility tax.

History: 2005, c. 23, s. 261.

Documents to be filed.

1175.40. An operator must, for each calendar year for which tax is payable under this Part, file with the Minister, in the prescribed form, without notice or demand, a fiscal return containing prescribed information and the operator’s financial statements prepared for the operator’s last fiscal period that ends in the preceding calendar year.

Time for filing documents.

The documents must be filed by the following persons and within the following time:

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

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

(c) in the case of an operator who is an individual, by the individual, on or before 15 June of the calendar year.

Deceased individual.

Despite subparagraph *c* of the first paragraph, if the operator is an individual who dies in the calendar year but before 16 June, the documents mentioned in the first paragraph must be produced by the individual's legal representative within six months after the death.

Time limit.

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

History: 2005, c. 23, s. 261; 2011, c. 34, s. 119.

Deemed fiscal period.

1175.41. If the fiscal period of a person or partnership exceeds 365 days and for that reason the person or partnership does not have a fiscal period ending in a particular calendar year, the first fiscal period of the person or partnership ending in the calendar year following the particular year is deemed, for the purposes of this Part, to end on the last day of the particular year.

History: 2005, c. 23, s. 261.

Provisions applicable.

1175.42. Except where inconsistent with this Part, sections 17 to 21, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, 1002 to 1014 and 1037 to 1079.16 apply, with the necessary modifications, to this Part.

History: 2005, c. 23, s. 261; 2006, c. 36, s. 272; 2007, c. 12, s. 303.

**PART VII
LOGGING TAX**

**BOOK I
INTERPRETATION**

Definitions:

1176. In this Part, unless the context indicates a different meaning,

“taxation year”;

(a) “taxation year” has the meaning assigned by Part I;

“taxpayer”;

(b) “taxpayer” means any person or trust carrying on logging operations in Québec and includes, as the case may be, the liquidator of a succession, the executor, the trustee or the agent of the person or trust;

(c) *(paragraph repealed)*;

“fiscal period”;

(c.1) “fiscal period” has the meaning assigned by Part I;

(d) *(paragraph repealed)*;

“forest products”.

(e) “forest products” means logs, even if they are flatted, railway ties and spoolwood.

History: 1972, c. 23, s. 885; 1979, c. 38, s. 30; 1993, c. 64, s. 205; 1994, c. 22, s. 349; 1997, c. 3, s. 70; 1997, c. 14, s. 290; 2004, c. 21, s. 501; 2006, c. 13, s. 228; 2007, c. 12, s. 304.

Corresponding Federal Provision: 248(1) “Minister”, 249(1) and 249.1(1).

“logging operations”.

1177. In this Part, the expression “logging operations” means:

(a) the cutting of standing timber in Québec or the acquiring of forest products derived therefrom, when such products are sold in Québec;

(b) the cutting of standing timber in Québec or the acquiring of forest products derived therefrom, when such products are sold outside Québec;

(c) the sale of forest land, timber limits or timber-cutting rights in Québec;

(d) the cutting of standing timber in Québec or the acquiring of forest products derived therefrom by a taxpayer where such products are processed in a sawmill, pulp or paper plant or other plant for processing forest products in Canada by the taxpayer or on his behalf.

Deemed disposition of a property.

Where a taxpayer is deemed, under a provision of Part I, to have disposed of a property described in subparagraph *c* of the first paragraph, the taxpayer is deemed, for the purposes of that subparagraph *c* and section 1178, to have sold it.

History: 1972, c. 23, s. 886; 1990, c. 59, s. 364; 2004, c. 21, s. 502.

Corresponding Federal Provision: 700(1) I.T.R..

Income for the year.

1178. For the purposes of this Part,

(a) the income of a taxpayer from logging operations for a taxation year is equal to the excess of the aggregate of all his

income over the aggregate of his losses, determined in the following manner:

i. when the taxpayer carries on the operations described in subparagraph *a* of the first paragraph of section 1177, the taxpayer's income or loss, as determined under Part I for the year, from the cutting, acquiring, transportation and sale of forest products,

ii. when the taxpayer carries on the operations described in subparagraph *b* of the first paragraph of section 1177, the taxpayer's income or loss, as determined under Part I for the year, from the cutting, acquiring, transportation and sale of forest products, computed on the value of the forest products sold as established by the Minister, less the cost of cutting, acquisition, transportation and sale,

iii. subject to subparagraph iii.1, when the taxpayer carries on the operations described in subparagraph *c* of the first paragraph of section 1177, the taxpayer's income or loss, as determined under Part I for the year, from such operations,

iii.1. where subparagraph iii applies in respect of the sale by the taxpayer of forest land or a timber limit, the income or loss referred to in that subparagraph iii in respect of that sale is deemed, except for the purposes of subparagraph iv, to be equal to the portion of the income or loss of the taxpayer, determined under Part I for the year, from the sale that can reasonably be attributed to standing timber,

iv. when the taxpayer carries on the operations described in subparagraph *d* of the first paragraph of section 1177, the taxpayer's income or loss from all sources, as determined under Part I, without taking into account any amount included or deducted in computing the income or loss contemplated in subparagraphs i to iii or from sources other than logging operations and the processing in Québec by him or on his behalf, transportation and sale of forest products, timber and products derived therefrom, minus the deduction described in subparagraph *v*,

v. a taxpayer may deduct from the income determined under subparagraph iv an amount equal to 8% of the original cost to him of the depreciable property under Part I used by him during the year for the processing of forest products or products derived therefrom; but such amount shall not be less than 35% nor more than 65% of that income before the deduction under this subparagraph, and

vi. when subparagraph iv applies and the taxpayer cuts standing timber outside Québec or acquires forest products derived therefrom, he may deduct from the income resulting from the application of subparagraph iv a portion equal to such proportion that the quantity of such timber cut outside Québec and of the forest products derived therefrom is of the total quantity of standing timber cut and forest products acquired by him during the year; and

(*b*) a taxpayer's share in the income of a partnership carrying on logging operations of which the taxpayer is a member is equal to the agreed proportion of the income (computed under paragraph *a* as if the partnership were, for the purposes of subparagraph *d* of the first paragraph of section 1177 and of this section, a taxpayer and as if paragraphs *a* to *c* and *g* of section 600 applied to this Part) in respect of the taxpayer for the partnership's fiscal period that ends in the taxpayer's taxation year.

History: 1972, c. 23, s. 887; 1975, c. 22, s. 252; 1990, c. 59, s. 365; 1993, c. 64, s. 206; 1995, c. 63, s. 259; 1997, c. 3, s. 71; 1997, c. 14, s. 287; 2004, c. 21, s. 503; 2009, c. 15, s. 458.

Corresponding Federal Provision: 127(2) I.T.A.; 700(1)(a), (b), (c) and (d) before (i) and (iii) and (2) I.T.R..

BOOK II LIABILITY TO TAX

Amount of tax.

1179. Subject to section 1180, every taxpayer shall pay, for a taxation year, a tax of 10% of the aggregate of his income from logging operations and of his share of the income of a partnership which carries on logging operations for a fiscal period of the partnership ending in that taxation year.

History: 1972, c. 23, s. 888; 1993, c. 64, s. 207; 1997, c. 3, s. 71.

Corresponding Federal Provision: 127(2) "logging tax".

Where no tax is payable.

1180. No tax shall be payable for a taxation year in respect of

(*a*) the income of a taxpayer, computed in the manner prescribed in paragraph *a* of section 1178, if that income does not exceed \$65,000 for that taxation year; or

(*b*) the share of a taxpayer in the income of a partnership carrying on logging operations of which the taxpayer is a member, if the income of the partnership, computed in the manner prescribed in paragraph *b* of section 1178, for a fiscal period of the partnership ending in that taxation year, does not exceed \$65,000.

Non-coinciding or short taxation years.

Where the taxation year referred to in subparagraph *a* of the first paragraph or, where the fiscal period of the taxpayer referred to in that subparagraph does not coincide with the taxpayer's taxation year, the period determined in the third paragraph in respect of the taxpayer for that taxation year, or the fiscal period referred to in subparagraph *b* of that paragraph is less than 12 months, those subparagraphs are to be read as if the amount of \$65,000 were replaced by the proportion of that amount that the number of days in the taxation year, period or fiscal period, as the case may be, is of 365.

Determination of period.

For the purposes of the second paragraph, the period to be determined in respect of a taxpayer for a taxation year, where the taxpayer has only one fiscal period ending in the taxation year, corresponds to that fiscal period or, in other cases, to the period covered by the aggregate of months in the year or in the previous taxation year included in the fiscal periods ending in the taxation year.

History: 1972, c. 23, s. 889; 1993, c. 64, s. 207; 1995, c. 63, s. 260; 1997, c. 3, s. 71; 2017, c. 1, s. 391.

Several logging operations by same operator.

1181. For the purposes of section 1180, all logging operations carried on by the same taxpayer as owner, lessee or operator, or of which the income from logging operations accrues to the benefit of the same taxpayer, are deemed to constitute a single logging operation and not separate operations.

History: 1972, c. 23, s. 890; 1993, c. 64, s. 207.

Affiliated or associated corporations.

1182. When logging operations are carried on by two or more affiliated or associated corporations, under the same general management, or of which the bulk of the profit accrues to the same shareholders, the income from logging operations of each such corporation shall be regarded as the income from logging operations of a same taxpayer for the purposes of section 1180.

History: 1972, c. 23, s. 891; 1993, c. 64, s. 207; 1997, c. 3, s. 71.

Allowable deduction.

1183. Every taxpayer may deduct from the tax payable by the taxpayer under Part I for a taxation year, one-third of the tax paid or, but for paragraph *a* of section 1184, that would be payable by the taxpayer for that taxation year under this Part.

History: 1972, c. 23, s. 892; 1975, c. 22, s. 253; 1988, c. 4, s. 144; 1989, c. 5, s. 246; 1993, c. 64, s. 207; 1997, c. 85, s. 324; 2005, c. 1, s. 295.

Corresponding Federal Provision: 127(1)(a).

Tax otherwise payable under s. 1179.

1184. Where the tax otherwise payable by a taxpayer under section 1179 for a taxation year exceeds the aggregate of the amounts that he may effectively deduct for the year in respect of that tax under section 1183 and section 127 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement),

(a) the excess must be applied in reduction of that tax in the case where it does not result in a decrease in the amount that the taxpayer may effectively deduct for the year under the said section 127; and

(b) in any other case, the excess must be applied to reduce, in addition to the amount provided for in section 1183, the tax otherwise payable under Part I, for the year or for any subsequent taxation year.

History: 1975, c. 22, s. 254; 1988, c. 4, s. 145; 1989, c. 5, s. 247; 1993, c. 64, s. 208; 1997, c. 85, s. 325; 2005, c. 1, s. 296.

1184.1. (Repealed).

History: 1997, c. 85, s. 326; 2005, c. 1, s. 297.

Provisions applicable.

1185. Except where inconsistent with this Part, sections 1000 to 1024, 1037 to 1079.16 and paragraph *a* of section 1144 apply, with the necessary modifications, to this Part.

History: 1972, c. 23, s. 893; 1973, c. 18, s. 36; 1987, c. 21, s. 97; 1993, c. 64, s. 209; 1995, c. 49, s. 236; 1995, c. 63, s. 261; 2009, c. 5, s. 570.

Payments.

1185.1. Every taxpayer shall, subject to the second paragraph, pay to the Minister

(a) one-half of the tax for the taxation year, estimated in accordance with section 1004, at or before the end of the taxpayer's taxation year, and

(b) the remainder of the tax so estimated for the taxation year, on or before the taxpayer's balance-due day, within the meaning of section 1, for that year.

Deceased individual.

However, subparagraph *a* of the first paragraph does not require, where an individual dies in a taxation year, the payment of an amount, in respect of that individual, which would otherwise become payable under the said subparagraph on the day of his death or after that day.

History: 1993, c. 64, s. 210; 1995, c. 1, s. 198; 1997, c. 3, s. 71; 1997, c. 31, s. 142.

Presumption.

1185.2. The taxpayer required to make a payment under section 1185.1 is deemed, for the purposes of sections 1038 and 1040, to have been liable to make payments based on the lesser of

(a) the taxpayer's tax payable for the taxation year, and

(b) the taxpayer's tax payable for the preceding taxation year.

History: 1993, c. 64, s. 210.

1186. (Repealed).

History: 1972, c. 23, s. 894; 1974, c. 18, s. 47; 1997, c. 14, s. 288.

PART VII.1*(Repealed).***1186.1.** *(Repealed).*

History: 1997, c. 14, s. 289 [amended by 1997, c. 85, s. 773]; 2000, c. 39, s. 262; 2007, c. 12, s. 304; 2013, c. 10, s. 177.

1186.2. *(Repealed).*

History: 1997, c. 14, s. 289 [amended by 1997, c. 85, s. 773]; 1997, c. 85, s. 327; 2013, c. 10, s. 177.

1186.3. *(Repealed).*

History: 1997, c. 14, s. 289 [amended by 1997, c. 85, s. 773]; 2009, c. 5, s. 571; 2013, c. 10, s. 177.

1186.4. *(Repealed).*

History: 1997, c. 14, s. 289 [amended by 1997, c. 85, s. 773]; 1997, c. 85, s. 328; 2013, c. 10, s. 177.

1186.5. *(Repealed).*

History: 1997, c. 14, s. 289 [amended by 1997, c. 85, s. 773]; 1997, c. 85, s. 329; 2001, c. 51, s. 227; 2009, c. 5, s. 572; 2013, c. 10, s. 177.

PART VII.2*(Repealed).***1186.6.** *(Repealed).*

History: 2000, c. 14, s. 14; 2000, c. 39, s. 263; 2007, c. 12, s. 304; 2013, c. 10, s. 177.

1186.7. *(Repealed).*

History: 2000, c. 14, s. 14; 2013, c. 10, s. 177.

1186.8. *(Repealed).*

History: 2000, c. 14, s. 14; 2003, c. 9, s. 434; 2009, c. 5, s. 573; 2013, c. 10, s. 177.

1186.9. *(Repealed).*

History: 2000, c. 14, s. 14; 2013, c. 10, s. 177.

1186.10. *(Repealed).*

History: 2000, c. 14, s. 14; 2009, c. 5, s. 574; 2013, c. 10, s. 177.

PART VIII*(Repealed).***BOOK I***(Repealed).***1187.** *(Repealed).*

History: 1972, c. 23, s. 895; 1986, c. 15, s. 208.

1188. *(Repealed).*

History: 1972, c. 23, s. 896; 1986, c. 15, s. 208.

BOOK II*(Repealed).***1189.** *(Repealed).*

History: 1972, c. 23, s. 897; 1986, c. 15, s. 208.

1189.1. *(Repealed).*

History: 1978, c. 37, s. 77; 1986, c. 15, s. 208.

1189.2. *(Repealed).*

History: 1978, c. 37, s. 77; 1979, c. 38, s. 31; 1980, c. 7, s. 12.

1189.3. *(Repealed).*

History: 1978, c. 37, s. 77; 1980, c. 7, s. 13.

1189.4. *(Repealed).*

History: 1979, c. 38, s. 32; 1980, c. 7, s. 14.

1189.5. *(Repealed).*

History: 1979, c. 38, s. 32; 1980, c. 7, s. 14.

1190. *(Repealed).*

History: 1972, c. 23, s. 898; 1986, c. 15, s. 208.

BOOK III*(Repealed).***1191.** *(Repealed).*

History: 1972, c. 23, s. 899; 1972, c. 26, s. 85; 1986, c. 15, s. 208.

1192. *(Repealed).*

History: 1972, c. 23, s. 900; 1986, c. 15, s. 208.

1193. *(Repealed).*

History: 1972, c. 23, s. 901; 1986, c. 15, s. 208.

1194. *(Repealed).*

History: 1972, c. 23, s. 902; 1986, c. 15, s. 208.

1195. *(Repealed).*

History: 1972, c. 23, s. 903; 1972, c. 26, s. 86; 1986, c. 15, s. 208.

1196. *(Repealed).*

History: 1972, c. 23, s. 904; 1986, c. 15, s. 208.

1197. *(Repealed).*

History: 1972, c. 23, s. 905; 1986, c. 15, s. 208.

BOOK IV
*(Repealed).***1198.** *(Repealed).*

History: 1972, c. 23, s. 906; 1978, c. 26, s. 214; 1986, c. 15, s. 208.

BOOK V
*(Repealed).***1199.** *(Repealed).*

History: 1972, c. 23, s. 907; 1974, c. 18, s. 48; 1978, c. 26, s. 215; 1979, c. 38, s. 33; 1986, c. 15, s. 208.

BOOK VI
*(Repealed).***1200.** *(Repealed).*

History: 1972, c. 23, s. 908; 1972, c. 26, s. 87; 1986, c. 15, s. 208.

1201. *(Repealed).*

History: 1972, c. 23, s. 909; 1986, c. 15, s. 208.

1202. *(Repealed).*

History: 1972, c. 23, s. 910; 1986, c. 15, s. 208.

1203. *(Repealed).*

History: 1972, c. 23, s. 911; 1973, c. 17, s. 137; 1986, c. 15, s. 208.

1204. *(Repealed).*

History: 1972, c. 23, s. 912; 1986, c. 15, s. 208.

1205. *(Repealed).*

History: 1972, c. 23, s. 913; 1986, c. 15, s. 208.

1206. *(Repealed).*

History: 1972, c. 23, s. 914; 1986, c. 15, s. 208.

1207. *(Repealed).*

History: 1972, c. 23, s. 915; 1978, c. 26, s. 216; 1984, c. 35, s. 35; 1986, c. 15, s. 208.

1207.1. *(Repealed).*

History: 1981, c. 12, s. 16; 1986, c. 15, s. 208.

1207.2. *(Repealed).*

History: 1981, c. 12, s. 16; 1986, c. 15, s. 208.

1208. *(Repealed).*

History: 1972, c. 23, s. 916; 1986, c. 15, s. 208.

1209. *(Repealed).*

History: 1972, c. 23, s. 917; 1986, c. 15, s. 208.

1210. *(Repealed).*

History: 1972, c. 23, s. 918; 1972, c. 26, s. 88; 1986, c. 15, s. 208.

BOOK VII
*(Repealed).***1211.** *(Repealed).*

History: 1972, c. 23, s. 919; 1973, c. 17, s. 138; 1975, c. 22, s. 255; 1978, c. 26, s. 217; 1983, c. 44, s. 46; 1986, c. 15, s. 208.

1212. *(Repealed).*

History: 1972, c. 23, s. 920; 1973, c. 17, s. 139; 1978, c. 26, s. 218; 1983, c. 44, s. 47; 1984, c. 35, s. 36; 1986, c. 15, s. 208.

1213. *(Repealed).*

History: 1972, c. 23, s. 921; 1975, c. 22, s. 256.

BOOK VII.1
*(Repealed).***1213.1.** *(Repealed).*

History: 1984, c. 35, s. 37; 1986, c. 15, s. 208.

BOOK VIII
*(Repealed).***1214.** *(Repealed).*

History: 1972, c. 23, s. 922; 1986, c. 15, s. 208.

1215. *(Repealed).*

History: 1972, c. 23, s. 923; 1986, c. 15, s. 208.

1216. *(Repealed).*

History: 1972, c. 23, s. 924; 1986, c. 15, s. 208.

1217. *(Repealed).*

History: 1972, c. 23, s. 925; 1986, c. 15, s. 208.

1218. *(Repealed).*

History: 1972, c. 23, s. 926; 1975, c. 22, s. 257; 1978, c. 26, s. 219; 1983, c. 44, s. 48; 1986, c. 15, s. 208.

1219. *(Repealed).*

History: 1972, c. 23, s. 927; 1986, c. 15, s. 208.

1220. *(Repealed).*

History: 1972, c. 23, s. 928; 1986, c. 15, s. 208.

1221. *(Repealed).*

History: 1972, c. 23, s. 929; 1986, c. 15, s. 208.

1222. *(Repealed).*

History: 1972, c. 23, s. 930; 1972, c. 26, s. 89; 1984, c. 35, s. 38; 1986, c. 15, s. 208.

1223. *(Repealed).*

History: 1972, c. 23, s. 931; 1986, c. 15, s. 208.

1224. *(Repealed).*

History: 1972, c. 23, s. 932; 1986, c. 15, s. 208.

1225. *(Repealed).*

History: 1972, c. 23, s. 933; 1986, c. 15, s. 208.

Application of Act.

1226. The Minister of Revenue shall have charge of the application of this Act.

History: 1974, c. 18, s. 49.

Corresponding Federal Provision: 220(1).

1227. *(This section ceased to have effect on 17 April 1987).*

History: 1972, c. 23, s. 934; 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 23 of the statutes of 1972, in force on 31 December 1977, is repealed, except sections 934, effective from the coming into force of chapter I-3 of the Revised Statutes.

UPDATES

Bill 407 - 1992, c. 1;
Bill 15 - 1992, c. 21;
Bill 26 - 1992, c. 31;
Bill 408 - 1992, c. 44;
Bill 38 - 1992, c. 57;
Bill 141 - 1992, c. 68.

Bill 43 - 1993, c. 15;
Bill 58 - 1993, c. 16;
Bill 70 - 1993, c. 19;
Bill 111 - 1993, c. 51;
Bill 112 - 1993, c. 64.

Bill 4 - 1994, c. 13;
Bill 6 - 1994, c. 14;
Bill 8 - 1994, c. 16;
Bill 14 - 1994, c. 21; O.C. 216-95;
Bill 15 - 1994, c. 22;
Bill 140 - 1994, c. 40; O.C. 1354-94.

Bill 38 - 1995, c. 1;
Bill 60 - 1995, c. 18; O.C. 1352-95;
Bill 71 - 1995, c. 36;
Bill 88 - 1995, c. 49;
Bill 108 - 1995, c. 63.

Bill 29 - 1996, c. 31;
Bill 8 - 1996, c. 39.

Bill 42 - 1997, c. 3;
Bill 81 - 1997, c. 14;
Bill 108 - 1997, c. 31;
Bill 150 - 1997, c. 63; O.C. 1677-97;
Bill 161 - 1997, c. 85;
Bill 165 - 1997, c. 86;
Bill 170 - 1997, c. 90; O.C. 263-98.

Bill 424 - 1998, c. 16;
Bill 445 - 1998, c. 46.

Bill 33 - 1999, c. 8;
Bill 32 - 1999, c. 14;
Bill 61 - 1999, c. 36; O.C. 1312-99;
Bill 5 - 1999, c. 40;
Bill 59 - 1999, c. 43;
Bill 21 - 1999, c. 65; O.C. 55-2000;
Bill 3 - 1999, c. 83;
Bill 77 - 1999, c. 86.

Bill 29 - 2000, c. 5;

Bill 82 - 2000, c. 8; O.C. 1027-2000;
Bill 119 - 2000, c. 14;
Bill 121 - 2000, c. 25;
Bill 126 - 2000, c. 29; O.C. 690-2001;
Bill 97 - 2000, c. 39;
Bill 170 - 2000, c. 56.

Bill 138 - 2001, c. 7;
Bill 140 - 2001, c. 9; O.C. 984-2005;
Bill 175 - 2001, c. 51;
Bill 34 - 2001, c. 53;
Bill 61 - 2001, c. 61.

Bill 84 - 2002, c. 6;
Bill 65 - 2002, c. 9;
Bill 78 - 2002, c. 40;
Bill 107 - 2002, c. 45; O.C. 45-2004;
Bill 121 - 2002, c. 46;
Bill 110 - 2002, c. 70; O.C. 129-2003;
Bill 143 - 2002, c. 80.

Bill 3 - 2003, c. 2;
Bill 17 - 2003, c. 8;
Bill 10 - 2003, c. 9;
Bill 23 - 2003, c. 19;
Bill 34 - 2003, c. 29; O.C. 222-2004.

Bill 20 - 2004, c. 4;
Bill 36 - 2004, c. 8;
Bill 45 - 2004, c. 21;
Bill 72 - 2004, c. 37.

Bill 70 - 2005, c. 1;
Bill 110 - 2005, c. 14;
Bill 103 - 2005, c. 17; O.C. 1021-2005;
Bill 100 - 2005, c. 23;
Bill 101 - 2005, c. 24;
Bill 111 - 2005, c. 28;
Bill 83 - 2005, c. 32;
Bill 126 - 2005, c. 38.

Bill 118 - 2006, c. 3;
Bill 13 - 2006, c. 8;
Bill 15 - 2006, c. 13;
Bill 8 - 2006, c. 25;
Bill 41 - 2006, c. 36;
Bill 46 - 2006, c. 37.

Bill 5 - 2007, c. 3;

UPDATES

Bill 2 - 2007, c. 12.

Bill 141 - 2018, c. 23.

Bill 75 - 2008, c. 11; O.C. 938-2008.

Bill 13 - 2019, c. 14.

Bill 2 - 2009, c. 5;
Bill 37 - 2009, c. 15;
Bill 49 - 2009, c. 24; O.C. 1093-2011;
Bill 8 - 2009, c. 25; O.C. 961-2009;
Bill 45 - 2009, c. 26;
Bill 51 - 2009, c. 36;
Bill 74 - 2009, c. 58.

Bill 41 - 2020, c. 5;
Bill 18 - 2020, c. 11;
Bill 32 - 2020, c. 12;
Bill 37 - 2020, c. 2;
Bill 40 - 2020, c. 1;
Bill 42 - 2020, c. 16;
Bill 48 - 2020, c. 7.

Bill 57 - 2010, c. 3;
Bill 64 - 2010, c. 5;
Bill 87 - 2010, c. 7; O.C. 928-2010;
Bill 96 - 2010, c. 25;
Bill 107 - 2010, c. 31;
Bill 114 - 2010, c. 35;
Bill 118 - 2010, c. 36;
Bill 123 - 2010, c. 37.

Bill 117 - 2011, c. 1;
Bill 5 - 2011, c. 6;
Bill 82 - 2011, c. 21;
Bill 120 - 2011, c. 38.

Bill 54 - 2012, c. 1;
Bill 63 - 2012, c. 8;
Bill 5 - 2012, c. 28.

Bill 18 - 2013, c. 10;
Bill 45 - 2013, c. 28.

Bill 28 - 2014, c. 1; O.C. 1066-2015.

Bill 28 - 2015, c. 8;
Bill 13 - 2015, c. 21;
Bill 39 - 2015, c. 24;
Bill 69 - 2015, c. 36;
Bill 58 - 2015, c. 20; O.C. 1034-2015.

Bill 83 - 2016, c. 17.

Bill 112 - 2017, c. 1;
Bill 146 - 2017, c. 29.