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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-SEVENTH LEGISLATURE

Bill 41

(2006, chapter 36)

## **An Act to again amend the Taxation Act and other legislative provisions**

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**Introduced 8 November 2006**

**Passage in principle 16 November 2006**

**Passage 30 November 2006**

**Assented to 6 December 2006**

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## EXPLANATORY NOTES

*This bill amends various legislation to give effect to budgetary measures announced in the Budget Speech delivered on 23 March 2006 and in Information Bulletins published by the Ministère des Finances in 2005 and 2006. The bill also gives effect to certain measures announced in the Budget Speech delivered on 21 April 2005.*

*The bill amends the Act constituting Capital régional et coopératif Desjardins, the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi and the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) to make various changes to the investment requirements governing those investment corporations.*

*The bill amends the Taxation Act to introduce, amend or repeal certain fiscal measures specific to Québec. In particular, the amendments concern*

- (1) an increase from \$500 to \$1,000 in the deduction for workers;*
- (2) the introduction of a deduction for foreign farm workers;*
- (3) tax relief for employee transit passes;*
- (4) an increase in the deduction for renovations or alterations to improve access to a building;*
- (5) the improvement of the tax treatment of gifts;*
- (6) an increase in the refundable tax credit for home support for elderly persons;*
- (7) the refundable tax credit for adoption expenses to give full effect to the new rules relating to international adoption and to expand the list of eligible adoption expenses;*
- (8) the reduction of the tax assistance for the acquisition of Capital régional et coopératif Desjardins shares;*
- (9) the reduction of the tax rate for small businesses;*

*(10) the improvement of the refundable tax credit for on-the-job training periods and the measure to make this tax credit permanent;*

*(11) the increase and extension of the capital tax credit regarding certain investments in the forest sector;*

*(12) the introduction of a refundable tax credit for the construction and major repair of public access roads and bridges in forest areas;*

*(13) the implementation of a tax deferral mechanism for the income of forest producers derived from the sale of timber from a private woodlot;*

*(14) the introduction of a refundable tax credit for the production of ethanol in Québec;*

*(15) the tax treatment of assistance, benefits and advantages for the purposes of the tax credits for businesses; and*

*(16) the consequences of the revocation of a qualification certificate issued for the purposes of various tax advantages.*

*The bill amends the Act respecting the Régie de l'assurance maladie du Québec to increase the level of the exemptions that are taken into account in establishing the amount of the premium under the prescription drug insurance plan.*

*The bill amends the Act respecting the Québec Pension Plan in order to allow Indians whose income is situated on a reserve or Indian land to participate in the Québec Pension Plan.*

*The bill amends the Act respecting the Québec sales tax to*

*(1) introduce a partial rebate of the Québec sales tax paid in respect of the sale or long-term lease of hybrid vehicles; and*

*(2) ensure that, when the 3% tax on lodging is applied, the amount of the tax on lodging collected is clearly specified to the recipient.*

*The bill amends the Fuel Tax Act to*

*(1) increase the rate of reimbursement of the tax paid on fuel used to supply the engine of a bus assigned to public transport to 100% for all fuels;*

*(2) entitle a person who acquires biodiesel fuel to the reimbursement of the tax payable on the biodiesel fuel, provided it is not mixed with other types of fuel at the time of its acquisition; and*

*(3) entitle tribal councils and entities mandated by Indian Bands to the reimbursement of the fuel tax paid on their purchases of fuel on a reserve, in the same circumstances as those in which they are entitled to an exemption from the Québec sales tax on those purchases.*

*The bill makes amendments to the Taxation Act similar to amendments made to the Canada Income Tax Act by Bill C-45 (S.C., 2005, chapter 21), assented to on 12 May 2005, and by Bill C-13 (S.C., 2006, chapter 4), assented to on 22 June 2006. The bill thus gives effect to harmonization measures announced in the Budget Speech delivered on 21 April 2005 and in Information Bulletins published in 2005 and 2006. In particular, the amendments concern*

*(1) an increase in the tax assistance for disabled persons;*

*(2) the list of eligible expenses for the non-refundable tax credit for medical expenses, and an increase in the refundable tax credit for medical expenses;*

*(3) the tax treatment applicable to certain indemnities paid to Canadian Forces members and veterans;*

*(4) the extension from 10 to 20 years of the carry-over period for non-capital losses, farm losses and restricted farm losses;*

*(5) the imposition of the Universal Child Care Benefit; and*

*(6) the elimination of the capital gains tax on gifts of publicly-listed securities or of land having undeniable ecological value.*

*Lastly, the bill amends other legislation to make various technical, consequential and terminology-related amendments.*

#### **LEGISLATION AMENDED BY THIS BILL:**

– Cultural Property Act (R.S.Q., chapter B-4);

– Act constituting Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1);

- Act respecting international financial centres (R.S.Q., chapter C-8.3);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi (R.S.Q., chapter F-3.1.2);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1);
- Tobacco Tax Act (R.S.Q., chapter I-2);
- Taxation Act (R.S.Q., chapter I-3);
- Act respecting the Ministère du Revenu (R.S.Q., chapter M-31);
- Act respecting the Ministère du Tourisme (R.S.Q., chapter M-31.2);
- Act respecting the Régie de l’assurance maladie du Québec (R.S.Q., chapter R-5);
- Act respecting the Québec Pension Plan (R.S.Q., chapter R-9);
- Act respecting the Québec sales tax (R.S.Q., chapter T-0.1);
- Fuel Tax Act (R.S.Q., chapter T-1);
- Act giving effect to the Budget Speech delivered on 1 November 2001, to the supplementary statement of 19 March 2002 and to certain other budget statements (2003, chapter 9);
- Act giving effect to the Budget Speech delivered on 30 March 2004 to introduce family support measures and giving effect to certain other budget statements (2005, chapter 1);
- Budget Act No. 2 giving effect to the Budget Speech delivered on 30 March 2004 and to certain other budget statements (2005, chapter 23);
- Budget Act giving effect to the Budget Speech delivered on 21 April 2005 and to certain other budget statements (2005, chapter 38);
- Act to amend the Taxation Act and other legislative provisions (2006, chapter 13).



## Bill 41

### AN ACT TO AGAIN AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### CULTURAL PROPERTY ACT

**1.** (1) Section 2.1 of the Cultural Property Act (R.S.Q., chapter B-4) is amended

(1) by inserting “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 by” after “is acquired by” in the portion before paragraph *a*;

(2) by replacing “an accredited museum” in the portion before paragraph *a* by “a recognized museum”;

(3) by inserting “de ce musée,” after “conservation” in paragraph *a* in the French text.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 24 March 2006.

(3) Paragraph 2 of subsection 1 applies in respect of a taxation year, within the meaning of Part I of the Taxation Act (R.S.Q., chapter I-3), that ends after 31 December 1999. However, when section 2.1 of the Cultural Property Act (R.S.Q., chapter B-4) applies to a taxation year that ends in the year 2000, it reads as if “is acquired by a certified archival centre or a recognized museum, within the meaning assigned to those expressions by section 1 of the Taxation Act (chapter I-3)” in the portion before paragraph *a* was replaced by “is acquired in a taxation year, within the meaning assigned to that expression by Part I of the Taxation Act (chapter I-3), by a certified archival centre or a recognized museum, within the meaning assigned to those expressions for the year by section 1 of that Act”.

**2.** (1) Section 7.12 of the Act is amended

(1) by replacing “a certified archival centre” by “a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre”;

(2) by replacing “an accredited museum” by “a recognized museum”.

(2) Paragraph 1 of subsection 1 has effect from 24 March 2006.

(3) Paragraph 2 of subsection 1 applies in respect of a taxation year, within the meaning of Part I of the Taxation Act (R.S.Q., chapter I-3), that ends after 31 December 1999.

**3.** (1) Section 7.14 of the Act is amended, in the second paragraph,

(1) by inserting “a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44),” after “acquired by”;

(2) by replacing “an accredited museum” by “a recognized museum”.

(2) Paragraph 1 of subsection 1 has effect from 24 March 2006.

(3) Paragraph 2 of subsection 1 applies in respect of a taxation year, within the meaning of Part I of the Taxation Act (R.S.Q., chapter I-3), that ends after 31 December 1999.

**4.** (1) Section 7.15 of the Act is amended by inserting “au musée,” after “attestation” in the French text.

(2) Subsection 1 has effect from 24 March 2006.

#### ACT CONSTITUTING CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

**5.** (1) Section 8.1 of the Act constituting Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1) is amended

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

“(3) the period that begins on 1 March 2003 and ends on 29 February 2004;”;

(2) by adding the following paragraphs after paragraph 3:

“(4) the period that begins on 31 March 2004 and ends on 28 February 2005;

“(5) the period that begins on 1 March 2005 and ends on 28 February 2006;

“(6) the period that begins on 24 March 2006 and ends on 28 February 2007;

“(7) the period that begins on 1 March 2007 and ends on 29 February 2008;

“(8) the period that begins on 1 March 2008 and ends on 28 February 2009;

“(9) the period that begins on 1 March 2009 and ends on 28 February 2010;

or



“(10) the period that begins on 1 March 2010 and ends on 28 February 2011.”

(2) Subsection 1 has effect from 1 March 2006.

**6.** (1) Section 19 of the Act is replaced by the following section:

“**19.** The Société may make investments with or without a guarantee or security.

However, for each fiscal year, the Société’s eligible investments must represent, on the average, at least 60% of the Société’s average net assets for the preceding year, and a portion representing at least 35% of that percentage must be made in entities situated in the resource regions of Québec referred to in Schedule 2 or in eligible cooperatives.

For the purposes of this section, the following rules apply:

(1) the average net assets for a fiscal year must be determined by adding the net assets at the beginning of that year to the net assets at the end of that year and by dividing the sum so obtained by 2;

(2) the net assets do not include the movable or immovable property used by the Société to carry on its operations; and

(3) the average eligible investments for a fiscal year must be determined by the formula

$$(A + B + C + D) / 2.$$

In the formula in subparagraph 3 of the third paragraph,

(1) A is the Société’s eligible investments at the beginning of the fiscal year;

(2) B is the Société’s eligible investments at the end of the fiscal year;

(3) C is the amount by which an amount that is the total of the eligible investments already made by the Société that were disinvested in the fiscal year, exceeds an amount equal to 2% of the Société’s average net assets for the preceding fiscal year; and

(4) D is the amount determined under subparagraph 3 for the preceding fiscal year.

For the purposes of this section, investments that entail no security or hypothec and consist in any of the following investments are eligible investments:

(1) investments made by the Société in eligible entities;

(2) investments made by the Société otherwise than as first purchaser for the acquisition of securities issued by an eligible entity, except to the extent that they represent more than one third of the aggregate of the investments made by the Société as first purchaser in that entity;

(3) investments that are made by the Société in addition to an investment entailing no security or hypothec already made in an entity that was, at the time of the investment, an eligible entity, and that are made in an entity that would be an eligible entity under subparagraph 2 of the first paragraph of section 18 if the amounts of “\$100,000,000” and “\$50,000,000” mentioned in that subparagraph were replaced by the amounts of “\$350,000,000” and “\$150,000,000”, respectively;

(4) strategic investments made by the Société after 11 March 2003, in accordance with an investment policy adopted by the board of directors of the Société and approved by the Minister of Finance, in an entity whose assets are less than \$500,000,000 or whose net equity is not over \$200,000,000;

(5) an investment made after 11 March 2003 in an eligible entity through a limited partnership in which the Société holds an interest, directly or through another limited partnership, not exceeding the proportion of the Société’s direct or indirect interest in the limited partnership that made the investment;

(6) investments made by the Société in a partnership or legal person that consist of an initial capital outlay of at least \$25,000,000 or an additional capital outlay, provided that the strategic value of the initial capital outlay and, where applicable, of the additional capital outlay has been recognized, after 21 April 2005, by the Minister of Finance, and that those investments are not otherwise eligible investments;

(7) investments made by the Société in the period beginning on 22 April 2005 and ending on 23 March 2011 in a local venture capital fund established and managed in Québec or in a local fund recognized by the Minister of Finance, provided that the investments are made with the expectation that the local fund invest an amount at least equal to 150% of the aggregate of the sums received from the Société, the Fonds de solidarité des travailleurs du Québec (F.T.Q.) and Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi, in Québec partnerships or legal persons pursuing economic objectives and whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000, and are not otherwise eligible investments; and

(8) investments made by the Société after 21 March 2005 in FIER Partenaires, s.e.c.

For the purposes of the fifth paragraph, the investments that the Société has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 4 and 6 of that paragraph had they been made by the

Société, are deemed to have been made by the Société. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Société's net assets at the end of the preceding fiscal year.

For the purposes of the fifth paragraph, the investments that the Société has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in subparagraph 7 or 8 of that paragraph had they been made by the Société, are deemed to have been made by the Société.

For the purposes of subparagraph 2 of the fifth paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser of securities.

For the application of the fifth paragraph to a particular fiscal year, the following rules apply:

(1) the aggregate of the investments described in subparagraphs 2 and 3 of that paragraph may not exceed 20% of the Société's net assets at the end of the preceding fiscal year;

(2) the aggregate of the investments described in subparagraph 4 of that paragraph may not exceed 5% of the Société's net assets at the end of the preceding fiscal year;

(3) the aggregate of the investments described in subparagraph 6 of that paragraph may not exceed 7.5% of the Société's net assets at the end of the preceding fiscal year;

(4) if the particular fiscal year ends before 1 January 2012, the investments described in subparagraph 7 of that paragraph are deemed to be increased by 50%; and

(5) the aggregate of the investments described in subparagraph 7 of that paragraph may not exceed, if the particular fiscal year ends before 1 January 2012, 7.5% of the Société's net assets at the end of the preceding fiscal year and, in any other case, 5% of those assets.

For the purposes of this section, the following rules apply:

(1) the eligible investments described in subparagraph 4 of the fifth paragraph are not considered to have been made in entities situated in the resource regions of Québec referred to in Schedule 2;

(2) the eligible investments described in subparagraph 6 of the fifth paragraph are considered to have been made in entities situated in the resource regions of Québec referred to in Schedule 2 if, in the opinion of the Minister of Finance, the investments have an impact on the economic activity of those regions;

(3) the eligible investments described in subparagraph 7 of the fifth paragraph are considered to have been made in entities situated in the resource regions of Québec referred to in Schedule 2 if, in the opinion of the Minister of Finance, it is reasonable to believe that the local fund will have an impact on the economic activity of those regions or on the cooperative sector; and

(4) the eligible investments described in subparagraph 8 of the fifth paragraph are considered to have been made in entities situated in the resource regions of Québec referred to in Schedule 2.

The requirement set out in the second paragraph applies from the fiscal year that began on 1 January 2006.”

(2) Subsection 1 has effect from 22 April 2005. However, when section 19 of the Act applies to a fiscal year that begins before 22 April 2005 and includes that date, it reads as if “\$100,000,000” and “\$50,000,000” in subparagraph 3 of the fifth paragraph were replaced by “\$50,000,000” and “\$20,000,000”, respectively.

**7.** (1) Section 19.1 of the Act is repealed.

(2) Subsection 1 has effect from 22 April 2005.

#### ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

**8.** (1) Section 6 of the Act respecting international financial centres (R.S.Q., chapter C-8.3), amended by section 4 of chapter 13 of the statutes of 2006, is again amended by replacing subparagraph 1 of the first paragraph by the following subparagraph:

“(1) that is carried on by a corporation or partnership, except a corporation that is exempt from tax for the year under Book VIII of Part I of the Taxation Act (chapter I-3), unless the corporation is an insurer described in paragraph *k* of section 998 of that Act that is not so exempt from tax on the totality of its taxable income for the year by reason of section 999.0.1 of that Act, or a partnership a member of which is such a tax-exempt corporation;”.

(2) Subsection 1 has effect from 11 March 2003.

**9.** (1) Section 49 of the Act is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) B is the aggregate of all amounts each of which is the fair market value of a gift, referred to in section 710 of the Taxation Act or in any of the definitions of “total charitable gifts”, “total Crown gifts”, “total cultural gifts”, “total gifts of qualified property” and “total musical instrument gifts” in the first paragraph of section 752.0.10.1 of that Act, made in the year by the corporation or in the fiscal period on behalf of the partnership;”.

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**10.** Section 61.1 of the Act is repealed.

**11.** Section 64.1 of the Act is repealed.

ACT TO ESTABLISH FONDACTION, LE FONDS DE  
DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS  
NATIONAUX POUR LA COOPÉRATION ET L'EMPLOI

**12.** (1) Section 19 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2) is replaced by the following section:

**“19.** The Fund may make investments with or without a guarantee or security.

However, for each fiscal year, the Fund's eligible investments must represent, on the average, at least 60% of the Fund's average net assets for the preceding year.

For the purposes of this section and section 20, the following rules apply:

(1) the average net assets for a fiscal year must be determined by adding the net assets at the beginning of that year to the net assets at the end of that year and by dividing the sum so obtained by 2;

(2) the net assets do not include the movable or immovable property used by the Fund to carry on its operations; and

(3) the average eligible investments for a fiscal year must be determined by the formula

$$(A + B + C + D) / 2.$$

In the formula in subparagraph 3 of the third paragraph,

(1) A is the Fund's eligible investments at the beginning of the fiscal year;

(2) B is the Fund's eligible investments at the end of the fiscal year;

(3) C is the amount by which an amount that is the total of the eligible investments already made by the Fund that were disinvested in the fiscal year, exceeds an amount equal to 2% of the Fund's average net assets for the preceding fiscal year; and

(4) D is the amount determined under subparagraph 3 for the preceding fiscal year.

For the purposes of this section, investments that entail no security or hypothec and consist in any of the following investments are eligible investments:

- (1) investments made by the Fund in eligible enterprises;
- (2) investments made by the Fund otherwise than as first purchaser for the acquisition of securities issued by eligible enterprises;
- (3) investments in new or substantially renovated income-producing immovables situated in Québec, up to 5% of the Fund's net assets at the end of the preceding fiscal year;
- (4) investments that are made by the Fund in addition to an investment entailing no security or hypothec already made in an enterprise that was, at the time of the investment, an eligible enterprise, and that are made in an enterprise that would be an eligible enterprise under the first paragraph of section 18.1 if the amounts of "\$100,000,000" and "\$50,000,000" mentioned in that paragraph were replaced by the amounts of "\$350,000,000" and "\$150,000,000", respectively;
- (5) strategic investments made by the Fund after 11 March 2003, in accordance with an investment policy adopted by the board of directors of the Fund and approved by the Minister of Finance, in an enterprise whose assets are less than \$500,000,000 or whose net equity is not over \$200,000,000;
- (6) investments made by the Fund in a partnership or legal person that consist of an initial capital outlay of at least \$25,000,000, provided that the strategic value of the initial capital outlay has been recognized, after 22 December 2004, by the Minister of Finance, and that those investments are not otherwise eligible investments;
- (7) investments described in section 19.1, provided that they are made in accordance with a policy for investment outside Québec adopted by the board of directors of the Fund and approved by the Minister of Finance;
- (8) investments made by the Fund in the period beginning on 22 April 2005 and ending on 23 March 2011 in a local venture capital fund established and managed in Québec or in a local fund recognized by the Minister of Finance, provided that the investments are made with the expectation that the local fund invest an amount at least equal to 150% of the aggregate of the sums received from the Fund, the Fonds de solidarité des travailleurs du Québec (F.T.Q.) and Capital régional et coopératif Desjardins, in Québec enterprises whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000, and are not otherwise eligible investments; and
- (9) investments made by the Fund after 21 March 2005 in FIER Partenaires, s.e.c.

For the purposes of the fifth paragraph, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 7 of that paragraph had they been made by the Fund, are deemed to have been made by the Fund. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Fund's net assets at the end of the preceding fiscal year.

For the purposes of the fifth paragraph, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in subparagraph 8 or 9 of that paragraph had they been made by the Fund, are deemed to have been made by the Fund.

For the purposes of subparagraph 2 of the fifth paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser of securities.

For the application of the fifth paragraph to a particular fiscal year, the following rules apply:

(1) the aggregate of the investments described in subparagraphs 2 and 4 of that paragraph may not exceed 20% of the Fund's net assets at the end of the preceding fiscal year;

(2) the aggregate of the investments described in subparagraph 5 and in subparagraph 6 of that paragraph, respectively, may not exceed 5% of the Fund's net assets at the end of the preceding fiscal year;

(3) the aggregate of the investments described in subparagraph 7 of that paragraph may not exceed 10% of the Fund's net assets at the end of the preceding fiscal year;

(4) if the particular fiscal year ends before 1 January 2012, the investments described in subparagraph 8 of that paragraph are deemed to be increased by 50%; and

(5) the aggregate of the investments described in subparagraph 8 of that paragraph may not exceed, if the particular fiscal year ends before 1 January 2012, 7.5% of the Fund's net assets at the end of the preceding fiscal year and, in any other case, 5% of those assets.

If, at a particular time in a fiscal year, the Fund holds several investments described in subparagraph 6 of the fifth paragraph, only one of those investments may be considered to be an eligible investment, at that particular time, for the purposes of the requirement set out in the second paragraph.

Investments in immovables situated in Québec and intended mainly for the operation of shopping centres are not permitted under subparagraph 3 of the

fifth paragraph otherwise than as part of a project in the recreation and tourism sector.

The requirement set out in the second paragraph applies from the fiscal year that began on 1 June 2001.”

(2) Subsection 1 has effect from 22 April 2005. However, when section 19 of the Act applies

(1) to a fiscal year that begins before 22 April 2005 and includes that date, it reads

(a) as if “, a portion of which representing at least two-thirds of that minimum percentage must be invested in enterprises whose assets are less than \$50,000,000 or whose net equity is not over \$20,000,000” was added at the end of the second paragraph,

(b) as if “\$50,000,000” in subparagraph 4 of the fifth paragraph was replaced by “\$40,000,000”, and

(c) with reference to the following paragraph:

“For the purposes of the second paragraph, the investments permitted under subparagraphs 5 and 6 of the fifth paragraph are considered to have been made in enterprises whose assets are less than \$50,000,000 or whose net equity is not over \$20,000,000.”;

(2) to a fiscal year that includes a date subsequent to 21 April 2005 and that precedes the fiscal year in which the policy for investment outside Québec adopted by the board of directors of Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi is first approved after 21 April 2005 by the Minister of Finance, it reads

(a) as if “situated in Québec” in subparagraph 3 of the fifth paragraph was struck out,

(b) without reference to subparagraph 7 of the fifth paragraph and subparagraph 3 of the ninth paragraph, and

(c) as if “Investments in immovables situated outside Québec are not permitted under that subparagraph either, unless they have or will likely have an impact on the increase or maintenance of the level of employment or economic activity in Québec, in the cases and to the extent provided for in a policy adopted by the board of directors and approved by the Minister of Finance.” was added at the end of the eleventh paragraph; and

(3) on a date that precedes the date on which the policy for investment outside Québec adopted by the board of directors of Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération



et l'emploi is first approved after 21 April 2005 by the Minister of Finance, it reads as if "under the first paragraph" in subparagraph 4 of the fifth paragraph was replaced by "under subparagraph 1 of the first paragraph".

**13.** (1) Section 19.1 of the Act is amended

(1) by replacing "subparagraph 6" in the portion of the first paragraph before subparagraph 1 by "subparagraph 7";

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

"(1) any investment in a private fund outside Québec, up to, if the particular fiscal year is subsequent to the second fiscal year following the fiscal year in which a particular investment was made in the private fund in accordance with the investment policy, the amount invested, after that particular investment, by the private fund in a Québec enterprise whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000;"

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

"For the purposes of subparagraph 1 of the first paragraph, an investment agreed to by the Fund, at any time in a particular fiscal year, with a private fund outside Québec and for which it has committed but not yet disbursed sums at the end of the particular fiscal year is considered to be a particular investment made in the particular fiscal year, unless such an investment is not taken into account in computing eligible investments for the purposes of the requirement set out in the second paragraph of section 19 for the particular fiscal year, in which case each of the sums later disbursed by the Fund because of that investment is considered to be a particular investment."

(2) Paragraph 1 of subsection 1 applies from the fiscal year in which the policy for investment outside Québec adopted by the board of directors of Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi is first approved after 21 April 2005 by the Minister of Finance.

(3) Paragraphs 2 and 3 of subsection 1 apply from the fiscal year in which the policy for investment outside Québec adopted by the board of directors of Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi is first approved after 23 March 2006 by the Minister of Finance.

**14.** (1) Section 19.2 of the Act is amended by striking out "in subparagraph 7 of the fifth paragraph of section 19 or" in the first paragraph.

(2) Subsection 1 has effect from 22 April 2005.

ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ DES  
TRAVAILLEURS DU QUÉBEC (F.T.Q.)

**15.** (1) Section 15 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1) is replaced by the following section:

“**15.** The Fund may make investments with or without a guarantee or security.

However, for each fiscal year, the Fund’s qualified investments must represent, on the average, at least 60% of the Fund’s average net assets for the preceding year.

For the purposes of this section and section 15.1, the following rules apply:

(1) the average net assets for a fiscal year must be determined by adding the net assets at the beginning of that year to the net assets at the end of that year and by dividing the sum so obtained by 2;

(2) the net assets do not include the movable or immovable property used by the Fund to carry on its operations; and

(3) the average qualified investments for a fiscal year must be determined by the formula

$$(A + B + C + D) / 2.$$

In the formula in subparagraph 3 of the third paragraph,

(1) A is the Fund’s qualified investments at the beginning of the fiscal year;

(2) B is the Fund’s qualified investments at the end of the fiscal year;

(3) C is the amount by which an amount that is the total of the qualified investments already made by the Fund that were disinvested in the fiscal year, exceeds an amount equal to 2% of the Fund’s average net assets for the preceding fiscal year; and

(4) D is the amount determined under subparagraph 3 for the preceding fiscal year.

For the purposes of this section, investments that entail no security or hypothec and consist in any of the following investments are qualified investments:

(1) investments made by the Fund in qualified undertakings;

(2) investments made by the Fund otherwise than as first purchaser for the acquisition of securities issued by qualified undertakings;

(3) investments in new or substantially renovated income-producing immovables situated in Québec, up to 5% of the Fund's net assets at the end of the preceding fiscal year;

(4) investments that are made by the Fund in addition to an investment entailing no security or hypothec already made in an undertaking that was, at the time of the investment, a qualified undertaking, and that are made in an undertaking that would be a qualified undertaking under the first paragraph of section 14.1 if the amounts of "\$100,000,000" and "\$50,000,000" mentioned in that paragraph were replaced by the amounts of "\$350,000,000" and "\$150,000,000", respectively;

(5) strategic investments made by the Fund after 11 March 2003, in accordance with an investment policy adopted by the board of directors of the Fund and approved by the Minister of Finance, in an undertaking whose assets are less than \$500,000,000 or whose net equity is not over \$200,000,000;

(6) investments made by the Fund in a partnership or legal person that consist of an initial capital outlay of at least \$25,000,000, provided that the strategic value of that capital outlay has been recognized, after 22 December 2004, by the Minister of Finance, and that those investments are not otherwise qualified investments;

(7) investments described in section 15.0.1, provided that they are made in accordance with a policy for investment outside Québec adopted by the board of directors of the Fund and approved by the Minister of Finance;

(8) investments made by the Fund in the period beginning on 22 April 2005 and ending on 23 March 2011 in a local venture capital fund established and managed in Québec or in a local fund recognized by the Minister of Finance, provided that the investments are made with the expectation that the local fund invest an amount at least equal to 150% of the aggregate of the sums received from the Fund, Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi and Capital régional et coopératif Desjardins, in Québec undertakings whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000, and are not otherwise qualified investments; and

(9) investments made by the Fund after 21 March 2005 in FIER Partenaires, s.e.c.

For the purposes of the fifth paragraph, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 7 of that paragraph had they been made by the Fund, are deemed to have been made by the Fund. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Fund's net assets at the end of the preceding fiscal year.

For the purposes of the fifth paragraph, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in subparagraph 8 or 9 of that paragraph had they been made by the Fund, are deemed to have been made by the Fund.

For the purposes of subparagraph 2 of the fifth paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser of securities.

For the application of the fifth paragraph to a particular fiscal year, the following rules apply:

(1) the aggregate of the investments described in subparagraphs 2 and 4 of that paragraph may not exceed 20% of the Fund's net assets at the end of the preceding fiscal year;

(2) the aggregate of the investments described in subparagraph 5 and in subparagraph 6 of that paragraph, respectively, may not exceed 5% of the Fund's net assets at the end of the preceding fiscal year;

(3) the aggregate of the investments described in subparagraph 7 of that paragraph may not exceed 10% of the Fund's net assets at the end of the preceding fiscal year;

(4) if the particular fiscal year ends before 1 January 2012, the investments described in subparagraph 8 of that paragraph are deemed to be increased by 50%; and

(5) the aggregate of the investments described in subparagraph 8 of that paragraph may not exceed, if the particular fiscal year ends before 1 January 2012, 7.5% of the Fund's net assets at the end of the preceding fiscal year and, in any other case, 5% of those assets.

If, at a particular time in a fiscal year, the Fund holds several investments described in subparagraph 6 of the fifth paragraph, only one of those investments may be considered to be a qualified investment, at that particular time, for the purposes of the requirement set out in the second paragraph.

Investments in immovables situated in Québec and intended mainly for the operation of shopping centres are not permitted under subparagraph 3 of the fifth paragraph otherwise than as part of a project in the recreation and tourism sector.

The requirement set out in the second paragraph applies from the fiscal year that began on 1 November 1986.”

(2) Subsection 1 has effect from 22 April 2005. However, when section 15 of the Act applies

(1) to a fiscal year that begins before 22 April 2005 and includes that date, it reads as if “\$100,000,000” and “\$50,000,000” in subparagraph 4 of the fifth paragraph were replaced by “\$50,000,000” and “\$20,000,000”, respectively;

(2) to a fiscal year that includes a date subsequent to 21 April 2005 and that precedes the fiscal year in which the policy for investment outside Québec adopted by the board of directors of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) is first approved after 21 April 2005 by the Minister of Finance, it reads

(a) as if “situated in Québec” in subparagraph 3 of the fifth paragraph was struck out,

(b) without reference to subparagraph 7 of the fifth paragraph and subparagraph 3 of the ninth paragraph, and

(c) as if “Investments in immovables situated outside Québec are not permitted under that subparagraph either, unless they have or will likely have an impact on the increase or maintenance of the level of employment or economic activity in Québec, in the cases and to the extent provided for in a policy adopted by the board of directors and approved by the Minister of Finance.” was added at the end of the eleventh paragraph; and

(3) on a date that precedes the date on which the policy for investment outside Québec adopted by the board of directors of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) is first approved after 21 April 2005 by the Minister of Finance, it reads as if “under the first paragraph” in subparagraph 4 of the fifth paragraph was replaced by “under subparagraph 1 of the first paragraph”.

**16.** (1) Section 15.0.1 of the Act is amended

(1) by replacing “subparagraph 6” in the portion of the first paragraph before subparagraph 1 by “subparagraph 7”;

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

“(1) any investment in a private fund outside Québec, up to, if the particular fiscal year is subsequent to the second fiscal year following the fiscal year in which a particular investment was made in the private fund in accordance with the investment policy, the amount invested, after that particular investment, by the private fund in a Québec undertaking whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000;”;

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

“For the purposes of subparagraph 1 of the first paragraph, an investment agreed to by the Fund, at any time in a particular fiscal year, with a private

fund outside Québec and for which the Fund has committed but not yet disbursed sums at the end of the particular fiscal year is considered to be a particular investment made in the particular fiscal year, unless such an investment is not taken into account in computing qualified investments for the purposes of the requirement set out in the second paragraph of section 15 for the particular fiscal year, in which case each of the sums later disbursed by the Fund because of that investment is considered to be a particular investment.”

(2) Paragraph 1 of subsection 1 applies from the fiscal year in which the policy for investment outside Québec adopted by the board of directors of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) is first approved after 21 April 2005 by the Minister of Finance.

(3) Paragraphs 2 and 3 of subsection 1 apply from the fiscal year in which the policy for investment outside Québec adopted by the board of directors of the Fonds de solidarité des travailleurs du Québec (F.T.Q.) is first approved after 23 March 2006 by the Minister of Finance.

**17.** (1) Section 15.0.2 of the Act is amended by striking out “in subparagraph 7 of the fifth paragraph of section 15 or” in the first paragraph.

(2) Subsection 1 has effect from 22 April 2005.

#### TOBACCO TAX ACT

**18.** Section 2 of the Tobacco Tax Act (R.S.Q., chapter I-2), amended by section 60 of chapter 29 of the statutes of 2005, is again amended by inserting “and the regulations” after “Act” in the portion before the definition of “carrier”.

**19.** (1) Section 6.3 of the Act is amended by inserting “17.4.1,” after “sections”.

(2) Subsection 1 has effect from 8 June 2006.

#### TAXATION ACT

**20.** (1) Section 1 of the Taxation Act (R.S.Q., chapter I-3), amended by section 24 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “an accredited” in paragraph *c* of the definition of “recognized gift with reserve of usufruct or use” by “a recognized”;

(2) by striking out the definition of “accredited museum”;

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

““registered museum” at any time means a museum that, at that time, is registered as such with the Minister in accordance with section 985.35.2;”;

(4) by replacing “an accredited” in the definition of “Québec museum” by “a recognized”;

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

““recognized museum” means a museum that is recognized by the Minister of Culture and Communications and whose recognition is in force;”;

(6) by replacing the definition of “recognized arts organization” by the following definition:

““recognized arts organization” means an arts organization that was recognized, before 30 June 2006, by the Minister on the recommendation of the Minister of Culture and Communications and whose recognition is in force, but does not include a registered charity and an arts organization that is a registered cultural or communications organization under the second paragraph of section 985.35.12;”;

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

““registered cultural or communications organization” at any time means an organization that is, at that time, registered as such with the Minister in accordance with section 985.35.12;”.

(2) Paragraphs 1, 2, 4 and 5 of subsection 1 apply from the taxation year 2000. However, when the definition of “recognized museum” in section 1 of the Act applies to the taxation year 2000, it reads as follows:

““recognized museum” for a taxation year means a museum that is recognized by the Minister of Culture and Communications in that year and whose recognition is in force, and that was accredited by that Minister and whose accreditation was in force immediately before the time at which the museum was recognized by that Minister;”.

(3) Paragraph 3 of subsection 1 has effect from 24 March 2006.

(4) Paragraphs 6 and 7 of subsection 1 have effect from 30 June 2006.

**21.** (1) Section 2 of the Act is amended by striking out “except for the definition of “person of Indian ancestry” in section 725.0.1,”.

(2) Subsection 1 applies from the taxation year 2007.

**22.** (1) Section 8.1 of the Act is amended

(1) by inserting “, an eligible individual within the meaning of section 737.22.0.9” after “737.22.0.0.5”;

(2) by replacing “737.22.0.5 or” by “737.22.0.5;”;

(3) by inserting “or a foreign farm worker within the meaning of section 737.22.0.12” after “737.22.0.1”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2003.

(3) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 2006.

**23.** (1) Section 25 of the Act is amended by replacing the second paragraph by the following paragraph:

“The tax payable under section 750 by an individual referred to in the first paragraph is equal to the portion of the tax that the individual would pay, but for this paragraph, under that section on the individual’s taxable income determined under section 24 if the individual were resident in Québec, that is the proportion, which is not to exceed 1, that that income earned in Québec is of the amount by which the aggregate of the amount that would have been the individual’s income, computed without reference to section 1029.8.50, had the individual been resident in Québec on the last day of the taxation year and the amount that the individual included in computing that taxable income under section 726.35, exceeds any amount deducted by the individual under any of sections 726.20.2, 726.28, 726.33, 737.14, 737.16, 737.16.1, 737.18.10, 737.18.28, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.25 and 737.28 in computing that taxable income.”

(2) Subsection 1 applies to a taxation year that ends after 23 March 2006.

**24.** (1) The Act is amended by inserting the following section after section 38:

**“38.1.** An individual is not required in computing the individual’s income to include the value of benefits received from the individual’s employer and derived from

(a) the total or partial reimbursement, after 23 March 2006, of the cost of an eligible transit pass taking the form of a subscription for a minimum period of one month, valid after that date, that the individual acquired with a view to using it to commute between the individual’s ordinary place of residence and the individual’s work location;

(b) the total or partial reimbursement, after 23 March 2006, of the cost of an eligible paratransit pass, valid after that date, that the individual acquired with a view to using it to commute between the individual’s ordinary place of residence and the individual’s work location; or

(c) the supply, after 23 March 2006, of an eligible transit pass or eligible paratransit pass, if the pass is supplied to the individual primarily to commute between the individual’s ordinary place of residence and the individual’s work location.



In this section, “eligible paratransit pass” and “eligible transit pass” have the meaning assigned by section 156.9.”

(2) Subsection 1 has effect from 24 March 2006. However, when subparagraphs *a* and *b* of the first paragraph of section 38.1 of the Act apply in respect of a transit pass that is valid for a period preceding 1 April 2006, they read as follows:

“(a) the total or partial reimbursement, after 23 March 2006, of the cost of an eligible transit pass taking the form of a subscription for a minimum period of one month that the individual acquired with a view to using it to commute between the individual’s ordinary place of residence and the individual’s work location, to the extent of the proportion of the amount of the reimbursement that the number of days in the period of validity of the pass that follow 31 March 2006 is of the number of days in the period of validity of the pass;

“(b) the total or partial reimbursement, after 23 March 2006, of the cost of an eligible paratransit pass taking the form of a subscription for a minimum period of one month that the individual acquired with a view to using it to commute between the individual’s ordinary place of residence and the individual’s work location, to the extent of the proportion of the amount of the reimbursement that the number of days in the period of validity of the pass that follow 31 March 2006 is of the number of days in the period of validity of the pass, or the total or partial reimbursement, after 23 March 2006, of the cost of an eligible paratransit pass valid after that date, other than such a pass taking the form of a subscription for a minimum period of one month, that the individual acquired with a view to using it to commute between the individual’s ordinary place of residence and the individual’s work location; or”.

**25.** (1) The Act is amended by inserting the following after section 43.3:

## “DIVISION III.2

### “CANADIAN FORCES MEMBERS AND VETERANS

“**43.4.** An individual shall, in computing the individual’s income for a taxation year from an office or employment, include the total of all amounts received by the individual in the year as an earnings loss benefit, a supplementary retirement benefit or a permanent impairment allowance payable to the individual under Part 2 of the Canadian Forces Members and Veterans Re-establishment and Compensation Act (Statutes of Canada, 2005, chapter 21).”

(2) Subsection 1 has effect from 1 April 2006.

**26.** (1) Section 135.4 of the Act is amended by replacing “admissible en déduction” in the French text by “déductible” and by replacing “paragraphs *h* and *h.1* of section 157” by “paragraphs *h*, *h.1* and *h.1.1* of section 157”.

(2) Subsection 1 applies in respect of an expense incurred after 23 March 2006.

**27.** (1) The Act is amended by inserting the following after section 156.7:

**“DIVISION VIII.3**

**“ADDITIONAL DEDUCTION RELATING TO PUBLIC TRANSIT  
PASSES**

**“156.8.** A taxpayer may deduct, in computing the taxpayer’s income from a business for a taxation year, the aggregate of all amounts each of which is an amount otherwise deductible in computing that income for that taxation year and that is

(a) an amount paid to an employee, after 23 March 2006, as the total or partial reimbursement of the cost of an eligible transit pass taking the form of a subscription for a minimum period of one month, valid after that date, that the employee acquired with a view to using it to commute between the employee’s ordinary place of residence and the employee’s work location;

(b) an amount paid to an employee, after 23 March 2006, as the total or partial reimbursement of the cost of an eligible paratransit pass, valid after that date, that the employee acquired with a view to using it to commute between the employee’s ordinary place of residence and the employee’s work location; or

(c) the cost to the taxpayer of an eligible transit pass or eligible paratransit pass that is supplied, after 23 March 2006, to an employee primarily to commute between the employee’s ordinary place of residence and the employee’s work location.

**“156.9.** In section 156.8,

“eligible paratransit pass” means a transit pass that allows the use of a paratransit service provided by a public entity authorized under an Act of Québec to organize such a service;

“eligible transit pass” means a transit pass that allows the use of a public transit service, other than paratransit, provided by a public entity authorized under an Act of Québec to organize such a service.”

(2) Subsection 1 has effect from 24 March 2006. However, when paragraphs *a* and *b* of section 156.8 of the Act apply in respect of a transit pass that is valid for a period preceding 1 April 2006, they read as follows:

“(a) an amount paid to an employee, after 23 March 2006, as the total or partial reimbursement of the cost of an eligible transit pass taking the form of a subscription for a minimum period of one month that the employee acquired

with a view to using it to commute between the employee's ordinary place of residence and the employee's work location, to the extent of the proportion of the amount of the reimbursement that the number of days in the period of validity of the pass that follow 31 March 2006 is of the number of days in the period of validity of the pass;

“(b) an amount paid to an employee, after 23 March 2006, as the total or partial reimbursement of the cost of an eligible paratransit pass taking the form of a subscription for a minimum period of one month that the employee acquired with a view to using it to commute between the employee's ordinary place of residence and the employee's work location, to the extent of the proportion of the amount of the reimbursement that the number of days in the period of validity of the pass that follow 31 March 2006 is of the number of days in the period of validity of the pass, or an amount paid to an employee, after 23 March 2006, as the total or partial reimbursement of the cost of an eligible paratransit pass valid after that date, other than such a pass taking the form of a subscription for a minimum period of one month, that the employee acquired with a view to using it to commute between the employee's ordinary place of residence and the employee's work location; or”.

**28.** (1) Section 157 of the Act is amended

(1) by inserting “, to the extent that the amount was not deducted in computing the taxpayer's income for the year or in computing the taxpayer's income for a preceding taxation year under paragraph *h.1.1*” after “be mobile within it” in paragraph *h.1*;

(2) by inserting the following paragraph after paragraph *h.1*:

“(h.1.1) the portion of an amount paid by the taxpayer in the year for renovations or alterations to a building that is used by the taxpayer primarily for the purpose of gaining or producing income from the property or from a business, in respect of which the taxpayer holds a qualification certificate issued by the Régie du bâtiment du Québec stating that the renovations or alterations meet barrier-free design standards set out in the Building Code referred to in section 13 of the Building Act (chapter B-1.1);”.

(2) Subsection 1 applies in respect of an expense incurred after 23 March 2006.

**29.** (1) Section 231.2 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**231.2.** The taxable capital gain of a taxpayer for a taxation year from the disposition of a property is equal to zero if the disposition is”.

(2) Subsection 1 applies in respect of a disposition made after 1 May 2006.

**30.** (1) Section 232 of the Act is amended

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

“However, subject to the fourth paragraph, the disposition of a cultural property described in the third paragraph, the disposition of the bare ownership of such property made in the course of a recognized gift with reserve of usufruct or use or the disposition of a musical instrument resulting from a gift described in paragraph *e* of section 710 or in the definition of “total musical instrument gifts” in the first paragraph of section 752.0.10.1 does not give rise to a capital gain and the disposition of depreciable property does not give rise to a capital loss.”;

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

“A cultural property to which the second paragraph refers is any of the following properties:”;

(3) by replacing subparagraph *c* of the third paragraph by the following subparagraph:

“(c) a property that is the object of a certificate issued by the Commission des biens culturels du Québec to the effect that it was acquired by a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre or a recognized museum in accordance with its acquisition and conservation policy and the directives of the Ministère de la Culture et des Communications.”;

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

“The second paragraph does not apply in respect of a property of the taxpayer that was a gift referred to in section 752.0.10.10 and made to an institution or a public authority referred to in subparagraph *a* of the third paragraph, to a certified archival centre, to a recognized museum or to an entity referred to in any of paragraphs *a* to *e* of the definition of “total musical instrument gifts” in the first paragraph of section 752.0.10.1, and which was not vested in that donee within the 36-month period following the death of the taxpayer or, if the taxpayer’s legal representative so requests in writing to the Minister before the expiry of such period, within such longer period as the Minister considers reasonable.”

(2) Subsection 1 applies in respect of a gift made after 23 March 2006. In addition, when subparagraph *c* of the third paragraph and the fourth paragraph of section 232 of the Act apply in respect of a gift made before 24 March 2006, they read as if “an accredited” was replaced by “a recognized”.

**31.** (1) Section 255 of the Act is amended by replacing subparagraph 1 of subparagraph *i* of paragraph *i* by the following subparagraph:

“(1) section 231.2, the fraction “1/2” in section 105, as it applied to a fiscal period of the partnership ending before 1 April 1977, and without reference to that or another fraction in sections 107, 231, 231.1, as it read before being repealed, and 265,”.

(2) Subsection 1 has effect from 2 May 2006.

**32.** (1) Section 287.1 of the Act is replaced by the following section:

**“287.1.** For the purposes of this division, an excluded property of a taxpayer means a property acquired by the taxpayer, or by a person with whom the taxpayer does not deal at arm’s length, in circumstances in which it is reasonable to conclude that the acquisition of the property relates to an arrangement, plan or scheme that is promoted by another person or partnership and under which it is reasonable to conclude that the property will be the subject of a gift to which section 710 or the definition of “total charitable gifts”, “total cultural gifts”, “total gifts of qualified property” or “total musical instrument gifts” in the first paragraph of section 752.0.10.1, applies.”

(2) Subsection 1 applies in respect of a property acquired after 23 March 2006.

**33.** (1) Section 289 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“289.** For the purposes of this Title, if a taxpayer disposes of a personal-use property, other than an excluded property disposed of in circumstances to which section 710 or the definition of “total charitable gifts”, “total cultural gifts”, “total gifts of qualified property” or “total musical instrument gifts” in the first paragraph of section 752.0.10.1 applies, owned by the taxpayer, the following rules apply:”.

(2) Subsection 1 applies in respect of a property disposed of after 23 March 2006.

**34.** (1) Section 290 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“290.** For the purposes of this Title, if a taxpayer disposes of part of a personal-use property, other than a part of an excluded property disposed of in circumstances to which section 710 or the definition of “total charitable gifts”, “total cultural gifts”, “total gifts of qualified property” or “total musical instrument gifts” in the first paragraph of section 752.0.10.1 applies, owned by the taxpayer and has retained another part of the property, the following rules apply:”.

(2) Subsection 1 applies in respect of a part of a property disposed of after 23 March 2006.

**35.** (1) Section 313.6 of the Act is amended by replacing “or in a recognized arts organization” by “, in a recognized arts organization or in a registered cultural or communications organization”.

(2) Subsection 1 has effect from 30 June 2006.

**36.** (1) Section 346.0.1 of the Act is amended by replacing “\$50,000” in the second paragraph by “\$25,000”.

(2) Subsection 1 applies from the taxation year 2006.

**37.** (1) Section 350.6 of the Act is replaced by the following section:

**“350.6.** If an individual is, at any time in a taxation year, a foreign researcher within the meaning of section 737.19, a foreign researcher on a post-doctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1, a foreign professor within the meaning of section 737.22.0.5, an eligible individual within the meaning of section 737.22.0.9 or a foreign farm worker within the meaning of section 737.22.0.12, the following rules apply for the purpose of computing the amount that the individual may deduct under section 350.1 for the year:

(a) if the individual has included in computing the individual’s income for the year an amount received, or the value of a benefit received or enjoyed, by the individual and the amount or value is both described in subparagraph *a* of the first paragraph of section 350.2 and included in the individual’s eligible income for the year, in relation to an employment, within the meaning of any of sections 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1 and 737.22.0.5, as the case may be, in the amount determined in respect of the individual for the year under section 737.22.0.10, or in the individual’s work income for the year, in relation to an employment, within the meaning of section 737.22.0.12, the amount or value, as the case may be, is deemed to be nil;

(b) for the purposes of subparagraphs 1 and 2 of subparagraph ii of subparagraph *b* of the first paragraph of section 350.2, the number of days in the year included in the qualifying period in which the individual resided in the particular region does not include a day included in the individual’s research activity period, the individual’s eligible activity period or the individual’s specialized activity period, in relation to an employment, within the meaning of any of sections 737.19, 737.22.0.0.1, 737.22.0.0.5, 737.22.0.1 and 737.22.0.5, as the case may be; and

(c) subparagraph *b* of the first paragraph of section 350.2 does not apply to an individual to whom section 737.22.0.10 or 737.22.0.13 applies for the year.”

(2) Subsection 1 applies from the taxation year 2003. However, when section 350.6 of the Act applies before the taxation year 2006,

(1) the portion before paragraph *a* reads as if “, an eligible individual within the meaning of section 737.22.0.9 or a foreign farm worker within the meaning of section 737.22.0.12” was replaced by “or an eligible individual within the meaning of section 737.22.0.9”;

(2) paragraph *a* reads without reference to “or in the individual’s work income for the year, in relation to an employment, within the meaning of section 737.22.0.12,”; and

(3) paragraph *c* reads as if “section 737.22.0.10 or 737.22.0.13” was replaced by “section 737.22.0.10”.

**38.** (1) The heading of Chapter IX.0.1 of Title VI of Book III of Part I of the Act is replaced by the following heading:

“DEDUCTION FOR GOODS AND SERVICES TO SUPPORT A DISABLED PERSON”.

(2) Subsection 1 has effect from 1 January 2005.

**39.** (1) Section 358.0.1 of the Act is amended, in subparagraph ii of subparagraph *a* of the second paragraph,

(1) by replacing subparagraphs 6 to 8 by the following subparagraphs:

“(6) where the individual has an impairment in mental or physical functions, for the cost of note-taking services and to a person engaged in the business of providing such services, if the individual has been certified in writing by a practitioner to be a person who, because of that impairment, requires those services,

“(7) where the individual has an impairment in physical functions, for the cost of voice recognition software, if the individual has been certified in writing by a practitioner to be a person who, because of that impairment, requires that software,

“(8) where the individual has a learning disability or an impairment in mental functions, for the cost of tutoring services that are rendered to, and supplementary to the primary education of, the individual and to a person ordinarily engaged in the business of providing such services to persons who are not related to the person, if the individual has been certified in writing by a practitioner to be a person who, because of that disability or impairment, requires those services,”;

(2) by replacing “a mental or physical impairment” in subparagraph 10 by “an impairment in mental or physical functions”;

(3) by adding the following subparagraphs after subparagraph 10:

“(11) where the individual has a severe and prolonged impairment in mental or physical functions, for the cost of job coaching services, excluding job placement or career counselling services, and to a person engaged in the business of providing such services if the individual has been certified in writing by a practitioner to be a person who, because of that impairment, requires those services,

“(12) where the individual is blind or has a severe learning disability, for the cost of reading services and to a person engaged in the business of providing such services, if the individual has been certified in writing by a practitioner to be a person who, because of that impairment or disability, requires those services,

“(13) where the individual is blind and profoundly deaf, for the cost of deaf-blind intervening services and to a person engaged in the business of providing such services,

“(14) where the individual has a speech impairment, for the cost of a device that is a Bliss symbol board, or a similar device, that is prescribed by a practitioner to help the individual communicate by selecting the symbols or spelling out words,

“(15) where the individual is blind, for the cost of a device that is a Braille note-taker, prescribed by a practitioner, to allow the individual to take notes, with the help of a keyboard, that the device can read back to the individual, or print or display in Braille,

“(16) where the individual has a severe and prolonged impairment in physical functions that markedly restricts the individual’s ability to use his or her arms or hands, for the cost of a device that is a page turner prescribed by a practitioner to help the individual to turn the pages of a book or other bound document, and

“(17) where the individual is blind, or has a severe learning disability, for the cost of a device or software that is prescribed by a practitioner and designed to enable the individual to read print, and”.

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

**40.** (1) Section 358.0.3 of the Act is amended

(1) by replacing “\$500” in the portion of the first paragraph before subparagraph *a* by “\$1,000”;

(2) by inserting the following subparagraph after subparagraph *b* of the second paragraph:

“(b.1) the amounts included in computing the individual’s income for the year from an office or employment, if each of those amounts is the value of a



benefit received or enjoyed by the individual in the year because of a previous office or employment; and”;

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

“(c) if the individual is an Indian, within the meaning assigned to that expression by section 725.0.1, the amount the individual included in computing the individual’s income for the year and that is described in paragraph *e* of section 725.”

(2) Paragraphs 1 and 3 of subsection 1 apply from the taxation year 2007.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2006.

**41.** (1) Section 429 of the Act is amended by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) subject to sections 693.1, 752.0.26 and 776.1.5.0.19, that other person were entitled to the deductions to which the individual was entitled under sections 725 to 725.7, 752.0.0.1 to 752.0.13.3, 752.0.14 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18 in computing the individual’s taxable income or the individual’s tax payable under this Part, as the case may be, for the year.”

(2) Subsection 1 applies from the taxation year 2006.

**42.** (1) Section 485.4 of the Act is amended by replacing “paragraph *a* of section 728.0.1 were read without reference to “his allowable business investment losses for the year,”” in subparagraph *i* of paragraph *a* by “subparagraph *iii* of paragraph *a* of section 728.0.1 were read without reference to “the taxpayer’s allowable business investment losses for the year,””.

(2) Subsection 1 applies from the taxation year 2006.

**43.** (1) Section 491 of the Act is amended by inserting the following paragraph after paragraph *e*:

“(e.1) an amount received as a Canadian Forces income support benefit payable under Part 2 of the Canadian Forces Members and Veterans Re-establishment and Compensation Act (Statutes of Canada, 2005, chapter 21) or as a disability award, death benefit, clothing allowance or detention benefit payable under Part 3 of that Act; or”.

(2) Subsection 1 has effect from 1 April 2006.

**44.** (1) Section 658 of the Act, amended by section 44 of chapter 13 of the statutes of 2006, is again amended by replacing “mental or physical infirmity” in subparagraph 1 of subparagraph *ii* of paragraph *a* of the definition of

“preferred beneficiary” in the first paragraph by “an impairment in mental or physical functions”.

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

**45.** (1) Section 681 of the Act is amended by replacing paragraph *d* by the following paragraph:

“(d) subject to sections 693.1, 752.0.26 and 776.1.5.0.19, that other person were entitled to the deductions to which the individual was entitled under sections 725 to 725.7, 752.0.0.1 to 752.0.13.3, 752.0.14 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18 for the period in computing the individual’s taxable income or the individual’s tax payable under this Part, as the case may be, for the period.”

(2) Subsection 1 applies from the taxation year 2006.

**46.** (1) Section 693 of the Act is amended by replacing the second paragraph by the following paragraph:

“However, the taxpayer shall apply the provisions of this Book in the following order: Title I.0.0.1, sections 694.0.1, 694.0.2, 737.17, 737.18.12, 726.29 and 726.35, Titles V, VI.8, V.1, VI.1, VI.2, VI.3, VI.3.1, VI.3.2, VI.3.2.1, VI.3.2.2, VI.3.2.3, VII, VII.0.1, VI.5 and VI.5.1 and sections 725.1.2, 737.14 to 737.16.1, 737.18.3, 737.18.10, 737.18.11, 737.18.17, 737.18.26, 737.18.28, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25, 737.28, 726.28, 726.33 and 726.34.”

(2) Subsection 1, when it inserts a reference to Title I.0.0.1 of Book IV of Part I of the Act in the second paragraph of section 693 of the Act, has effect from 1 July 2006.

(3) Subsection 1, when it inserts a reference to section 737.22.0.13 of the Act in the second paragraph of section 693 of the Act, applies from the taxation year 2006.

(4) Subsection 1, except when it inserts a reference to Title I.0.0.1 of Book IV of Part I of the Act and a reference to section 737.22.0.13 of the Act in the second paragraph of section 693 of the Act, applies to a taxation year that ends after 23 March 2006.

**47.** (1) The Act is amended by inserting the following after section 694:

**“TITLE I.0.0.1**

**“INCLUSION OF AMOUNTS RECEIVED AS UNIVERSAL CHILD CARE BENEFITS**

**“694.0.0.1.** An individual shall include, in computing the individual’s taxable income for a taxation year, the aggregate of all amounts each of which is

(a) an amount received in the year by the individual as a benefit under section 4 of the Universal Child Care Benefit Act, enacted by section 168 of the Budget Implementation Act, 2006 (Statutes of Canada, 2006, chapter 4), if the individual does not have a spouse at the end of 31 December of the year or if the income for the year of the individual’s spouse at the end of 31 December of the year is equal to or greater than the individual’s income for the year; or

(b) an amount received in the year by the individual’s spouse at the end of 31 December of the year as a benefit under section 4 of the Universal Child Care Benefit Act, if the spouse’s income for the year is greater than the individual’s income for the year.”

(2) Subsection 1 applies in respect of an amount received after 30 June 2006.

**48.** (1) Section 710 of the Act is amended

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

“(a) subject to section 711, the aggregate of all amounts each of which is the fair market value of a gift, other than a gift the fair market value of which is included in the aggregate described in any of paragraphs *b* to *e*, made by the corporation in the year, in any of the five preceding taxation years, if the gift was made in a taxation year that ended before 24 March 2006, or in any of the 20 preceding taxation years, if the gift is made in a taxation year that ends after 23 March 2006, to”;

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

“iii. a recognized arts organization if the gift is made before 30 June 2006,”;

(3) by inserting the following subparagraphs after subparagraph iii.1 of paragraph *a*:

“iii.2. a registered museum if the gift is made after 23 March 2006,

“iii.3. a registered cultural or communications organization if the gift is made after 29 June 2006,”;

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

“(c) the aggregate of all amounts each of which is the fair market value, as certified by the Minister of the Environment, of a gift the object of which is any of the properties described in section 710.0.1, other than a gift the fair market value of which is included in the aggregate described in paragraph *d* or *e*, made by the corporation in the year, in any of the five preceding taxation years, if the gift was made in a taxation year that ended before 24 March 2006, or in any of the 20 preceding taxation years, if the gift is made in a taxation year that ends after 23 March 2006,”;

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

“(d) the aggregate of all amounts each of which is the fair market value of a gift, other than a gift the fair market value of which is included in the aggregate described in paragraph *e*, made by the corporation in the year, in any of the five preceding taxation years, if the gift was made in a taxation year that ended before 24 March 2006, or in any of the 20 preceding taxation years, if the gift is made in a taxation year that ends after 23 March 2006, to”;

(6) by replacing subparagraph *ii* of paragraph *d* by the following subparagraph:

“ii. a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre or a recognized museum, if the object of the gift is a cultural property described in subparagraph *c* of the third paragraph of section 232, unless it is also described in subparagraph *a* of that third paragraph; and”;

(7) by adding the following paragraph after paragraph *d*:

“(e) the aggregate of all amounts each of which is the fair market value of a gift the object of which is a musical instrument, made by the corporation in the year or in any of the 20 preceding taxation years to any of the following entities, if it is situated in Québec:

i. an elementary or secondary educational institution to which the Education Act (chapter I-13.3) or the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14) applies,

ii. a college governed by the General and Vocational Colleges Act (chapter C-29),

iii. a private educational institution accredited for purposes of subsidies under the Act respecting private education (chapter E-9.1),

iv. an educational institution at the university level within the meaning of the Act respecting educational institutions at the university level (chapter E-14.1), and

v. an institution providing instruction in music and forming part of the network of the Conservatoire de musique et d'art dramatique du Québec.”

(2) Paragraph 1 of subsection 1, except when it replaces “paragraphs *b*, *c* and *d*” in the portion of paragraph *a* of section 710 of the Act before subparagraph i by “paragraphs *b* to *e*”, paragraph 3 of subsection 1, when it enacts subparagraph iii.2 of paragraph *a* of section 710 of the Act, paragraph 4 of subsection 1, except when it replaces “in paragraph *d*” in the portion of paragraph *c* of section 710 of the Act before subparagraph i by “in paragraph *d* or *e*” and paragraph 5 of subsection 1, except when it inserts “, other than a gift the fair market value of which is included in the aggregate described in paragraph *e*,” in the portion of paragraph *d* of section 710 of the Act before subparagraph i, have effect from 24 March 2006.

(3) Paragraph 1 of subsection 1, when it replaces “paragraphs *b*, *c* and *d*” in the portion of paragraph *a* of section 710 of the Act before subparagraph i by “paragraphs *b* to *e*”, paragraph 4 of subsection 1, when it replaces “in paragraph *d*” in the portion of paragraph *c* of section 710 of the Act before subparagraph i by “in paragraph *d* or *e*”, paragraph 5 of subsection 1, when it inserts “, other than a gift the fair market value of which is included in the aggregate described in paragraph *e*,” in the portion of paragraph *d* of section 710 of the Act before subparagraph i, and paragraphs 6 and 7 of subsection 1 apply in respect of a gift made after 23 March 2006. In addition, when subparagraph ii of paragraph *d* of section 710 of the Act applies in respect of a gift made before 24 March 2006 and to a taxation year that ends after 31 December 1999, it reads as if “an accredited” was replaced by “a recognized”.

(4) Paragraph 2 of subsection 1 and paragraph 3 of subsection 1, when it enacts subparagraph iii.3 of paragraph *a* of section 710 of the Act, have effect from 30 June 2006.

**49.** (1) Section 711.1 of the Act is amended by replacing “*a* to *d*” in paragraph *b* by “*a* to *e*”.

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**50.** (1) Section 711.2 of the Act is amended by replacing “under any of paragraphs *a* to *d* of section 710” in paragraphs *a* and *b* by “under any of paragraphs *a* to *e* of section 710”.

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**51.** (1) Section 712.0.1 of the Act is replaced by the following section:

**“712.0.1.** No corporation may deduct, for a taxation year, an amount under section 710 in respect of a gift of a property described in subparagraph ii of paragraph *d* of that section unless it files with the Minister, together with the fiscal return it is required to file under section 1000 for the year, a certificate issued by the Commission des biens culturels du Québec stating that the property was acquired by a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre or a recognized museum, in accordance with its acquisition and conservation policy and with the directives of the Ministère de la Culture et des Communications, and specifying the fair market value of the property determined in accordance with section 710.2 or 710.4, as the case may be.”

(2) Subsection 1 applies in respect of a gift made after 23 March 2006. In addition, when section 712.0.1 of the Act applies in respect of a gift made before 24 March 2006 and to a taxation year that ends after 31 December 1999, it reads as if “an accredited museum” was replaced by “a recognized museum”.

**52.** (1) Section 714.1 of the Act is amended by inserting “iii.3,” after “iii.1,” in the first paragraph.

(2) Subsection 1 applies in respect of a gift made after 29 June 2006.

**53.** (1) Section 725 of the Act, amended by section 48 of chapter 13 of the statutes of 2006, is again amended by striking out “or a person of Indian ancestry” in paragraph *e*.

(2) Subsection 1 applies from the taxation year 2007.

**54.** (1) Section 725.0.1 of the Act, amended by section 49 of chapter 13 of the statutes of 2006, is again amended by striking out the definition of “person of Indian ancestry”.

(2) Subsection 1 applies from the taxation year 2007.

**55.** (1) Section 725.0.2 of the Act is amended

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

**“725.0.2.** For the purposes of paragraph *e* of section 725, the income of an Indian from an office or employment that the Indian performs for an employer who both resides on a reserve and is described in the second paragraph is deemed to be an income situated on a reserve if the duties of that Indian related to that office or employment form part of the non-commercial activities of the employer that are intended solely for the greater welfare of the Indians living on the reserve.”;

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

“If the income of an Indian from an office or employment is deemed, under the first paragraph, to be income situated on a reserve, any other amount received by that Indian and related to that office or employment is also, for the purposes of paragraph *e* of section 725, deemed to be situated on a reserve.”

(2) Subsection 1 applies from the taxation year 2007.

**56.** (1) Section 725.2.2 of the Act is amended by replacing “1/4” in the portion before paragraph *a* by “1/2”.

(2) Subsection 1 applies in respect of a disposition made after 1 May 2006.

**57.** (1) The Act is amended by inserting the following section after section 725.7:

**“725.7.1.** An individual may deduct, in computing the individual’s taxable income for a taxation year, the aggregate of all amounts each of which is an amount paid in the year as a reimbursement, under the Universal Child Care Benefit Act, enacted by section 168 of the Budget Implementation Act, 2006 (Statutes of Canada, 2006, chapter 4), of an amount that was included in computing the individual’s taxable income for the year or for a preceding taxation year under section 694.0.0.1.”

(2) Subsection 1 applies in respect of a reimbursement made after 30 June 2006.

**58.** (1) The Act is amended by inserting the following after section 726.29:

## **“TITLE VI.10**

### **“DEDUCTION FOR FOREST PRODUCERS**

#### **“CHAPTER I**

##### **“INTERPRETATION**

**“726.30.** In this Title,

“associated group” in a taxation year means all the corporations that are associated with each other at any time in the year;

“eligible activity” of an individual or corporation for a taxation year, or of a partnership for a fiscal period, in respect of a private woodlot means the sale of timber to a purchaser having an establishment in Québec, other than a retail sale, derived from the operation of the private woodlot;

“eligibility period” of an individual, corporation or partnership, as the case may be, means the period in which the individual, corporation or partnership is a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot;

“qualified corporation” for a taxation year means a Canadian-controlled private corporation whose paid-up capital attributed to the corporation for the year, determined in accordance with section 726.31, is not greater than \$10,000,000.

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

(a) if the corporation is not a member of an associated group in the particular year, its paid-up capital, determined in accordance with section 726.32, for the taxation year that precedes the particular year; and

(b) if the corporation is a member of an associated group in the particular year, the aggregate of all amounts each of which is its paid-up capital, determined in accordance with section 726.32, for the taxation year that precedes the particular year and the paid-up capital of each other member of the group, determined in accordance with section 726.32, for its last taxation year that ended before the beginning of the particular year.

For the purposes of subparagraph *a* of the first paragraph, if the particular year is the first fiscal period of the corporation, its paid-up capital is determined, in accordance with section 726.32, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

For the purposes of subparagraph *b* of the first paragraph, if a member of the associated group, other than the corporation, has no taxation year ending before the beginning of the particular year, its paid-up capital is determined, in accordance with section 726.32, on the basis of its financial statements prepared at the beginning of its first fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

**“726.32.** For the purposes of section 726.31, the paid-up capital of a corporation for a taxation year means

(a) in respect of a corporation, except a corporation that is an insurer within the meaning assigned by the Act respecting insurance (chapter A-32), its paid-up capital that would be determined for that year in accordance with Book III of Part IV if no reference were made to paragraph *b.2* of subsection 1 of section 1136, paragraphs *d* and *e* of section 1137 and sections 1137.0.0.1, 1138.0.1, 1138.2.1 to 1138.2.3, 1138.2.5 and 1141.3 to 1141.11; and

(b) in respect of a corporation that is an insurer, within the meaning assigned by the Act respecting insurance, its paid-up capital that would be



determined for that year in accordance with Title II of Book III of Part IV if it were a bank, if paragraph *a* of section 1140 were replaced by paragraph *a* of subsection 1 of section 1136 and if no reference were made to sections 1141.3 to 1141.11.

## “CHAPTER II

### “DEDUCTION

“**726.33.** An individual who, at the end of a taxation year ending before 1 January 2010, is a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot, or is a member of a partnership that is such a certified forest producer in respect of a private woodlot at the end of a fiscal period of the partnership that ends in the year, may deduct in computing the individual’s taxable income for the year, if the individual encloses the documents described in the third paragraph with the fiscal return the individual is required to file for the year under section 1000, an amount not exceeding 80% of the portion of the individual’s income for the year that may reasonably be considered to be equal to the aggregate of

(a) the amount determined by the formula

$A - B$ ; and

(b) the amount determined by the formula

$C - D$ .

In the formulas in the first paragraph,

(a) *A* is the aggregate of all amounts each of which is the amount obtained by multiplying the individual’s income for the taxation year deriving from the individual’s eligible activities for the year in respect of a private woodlot by the proportion that the number of days in the year that are included in the individual’s eligibility period in respect of the private woodlot, is of the number of days in the year;

(b) *B* is the aggregate of all amounts each of which is the amount obtained by multiplying the individual’s loss for the taxation year deriving from the individual’s eligible activities for the year in respect of a private woodlot by the proportion that the number of days in the year that are included in the individual’s eligibility period in respect of the private woodlot, is of the number of days in the year;

(c) *C* is the aggregate of all amounts each of which is the individual’s share of the amount obtained by multiplying the partnership’s income for its fiscal period that ends in the year deriving from the partnership’s eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership’s fiscal period that are included in the

partnership's eligibility period in respect of the private woodlot, is of the number of days in the fiscal period; and

(d) D is the aggregate of all amounts each of which is the individual's share of the amount obtained by multiplying the partnership's loss for its fiscal period that ends in the year deriving from the partnership's eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership's fiscal period that are included in the partnership's eligibility period in respect of the private woodlot, is of the number of days in the fiscal period.

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information; and

(b) a copy of the valid qualification certificate issued to the individual or partnership, as the case may be, attesting to the individual's or partnership's capacity as a certified forest producer in respect of the private woodlot.

For the purposes of subparagraphs *c* and *d* of the second paragraph, the share, for a fiscal period of a partnership, of an individual who is a member of the partnership of the income or loss of the partnership deriving from the partnership's eligible activities for the fiscal period in respect of a private woodlot, is equal to the proportion of that income or loss that the individual's share of the income or loss of the partnership for the partnership's fiscal period that ends in the individual's taxation year, is of the income or loss of the partnership for the fiscal period, on the assumption that, if the income and loss of the partnership for the fiscal period are nil, the partnership's income for the fiscal period is equal to \$1,000,000.

**“726.34.** A qualified corporation that, at the end of a taxation year ending before 1 January 2010, is a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot, or is a member of a partnership that is such a certified forest producer in respect of a private woodlot at the end of a fiscal period of the partnership that ends in the year, may deduct in computing its taxable income for the year, if the qualified corporation encloses the documents described in the third paragraph with the fiscal return it is required to file for the year under section 1000, an amount not exceeding 80% of the portion of the qualified corporation's income for the year that may reasonably be considered to be equal to the aggregate of

(a) the amount determined by the formula

$A - B$ ; and

(b) the amount determined by the formula

$C - D$ .

In the formulas in the first paragraph,

(a) A is the aggregate of all amounts each of which is the amount obtained by multiplying the qualified corporation's income for the taxation year deriving from the qualified corporation's eligible activities for the year in respect of a private woodlot by the proportion that the number of days in the year that are included in the qualified corporation's eligibility period in respect of the private woodlot, is of the number of days in the year;

(b) B is the aggregate of all amounts each of which is the amount obtained by multiplying the qualified corporation's loss for the taxation year deriving from the qualified corporation's eligible activities for the year in respect of a private woodlot by the proportion that the number of days in the year that are included in the qualified corporation's eligibility period in respect of the private woodlot, is of the number of days in the year;

(c) C is the aggregate of all amounts each of which is the qualified corporation's share of the amount obtained by multiplying the partnership's income for its fiscal period that ends in the year deriving from the partnership's eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership's fiscal period that are included in the partnership's eligibility period in respect of the private woodlot, is of the number of days in the fiscal period; and

(d) D is the aggregate of all amounts each of which is the qualified corporation's share of the amount obtained by multiplying the partnership's loss for its fiscal period that ends in the year deriving from the partnership's eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership's fiscal period that are included in the partnership's eligibility period in respect of the private woodlot, is of the number of days in the fiscal period.

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information; and

(b) a copy of the valid qualification certificate issued to the qualified corporation or to the partnership, as the case may be, attesting to its capacity as a certified forest producer in respect of the private woodlot.

For the purposes of subparagraphs *c* and *d* of the second paragraph, the share, for a fiscal period of a partnership, of a qualified corporation that is a member of the partnership of the income or loss of the partnership deriving from the partnership's eligible activities for the fiscal period in respect of a private woodlot, is equal to the proportion of that income or loss that the qualified corporation's share of the income or loss of the partnership for the partnership's fiscal period that ends in the qualified corporation's taxation year, is of the income or loss of the partnership for the fiscal period, on the assumption that, if the income and loss of the partnership for the fiscal period are nil, the partnership's income for the fiscal period is equal to \$1,000,000.

### **“CHAPTER III**

#### **“AMOUNT TO BE INCLUDED**

**“726.35.** An individual or a qualified corporation that deducted an amount in computing taxable income for a particular taxation year under section 726.33 or 726.34, as the case may be, as a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot, or as a member of a partnership that is such a certified forest producer in respect of a private woodlot, shall include all or part of the amount so deducted in computing taxable income for one or more of the four taxation years that follow the particular year.

The individual or corporation referred to in the first paragraph shall include, in computing taxable income for the fourth taxation year that follows the particular year, an amount equal to the amount by which the amount that the individual or corporation deducted under section 726.33 or 726.34, as the case may be, in computing taxable income for the particular year exceeds the aggregate of all amounts each of which is an amount that the individual or corporation included, under the first paragraph, in computing taxable income for a taxation year that follows the particular year in respect of the amount so deducted.

For the purposes of the second paragraph, any of the following taxation years is deemed to be the fourth taxation year that follows the particular year:

- (a) the taxation year in which the individual or corporation disposes of the private woodlot;
- (b) the taxation year in which ends the partnership’s fiscal period in which the partnership disposes of the private woodlot; or
- (c) the taxation year in which the individual or corporation ceases to be a member of the partnership.”

(2) Subsection 1 applies to a taxation year or fiscal period that ends after 23 March 2006.

**59.** (1) Section 727 of the Act is replaced by the following section:

**“727.** A taxpayer may deduct, in a particular taxation year, the non-capital losses sustained by the taxpayer

(a) in the seven taxation years that precede and in the three taxation years that follow the particular year if the losses are sustained in a taxation year that ends after 31 December 1983, but before 23 March 2004;

(b) in the 10 taxation years that precede and in the three taxation years that follow the particular year if the losses are sustained in a taxation year that ends after 22 March 2004, but before 1 January 2006; and

(c) in the 20 taxation years that precede and in the three taxation years that follow the particular year if the losses are sustained in a taxation year that ends after 31 December 2005.”

(2) Subsection 1 applies from the taxation year 2006.

**60.** (1) Section 728 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**728.** For the purposes of section 727, the “non-capital loss” of a taxpayer for a taxation year means, at a particular time, the amount by which the amount determined under section 728.0.1 in respect of the taxpayer for the year exceeds the aggregate of”.

(2) Subsection 1 applies from the taxation year 2006.

**61.** (1) Section 728.0.1 of the Act is amended by replacing paragraphs *a* and *b* by the following paragraphs:

“(a) the aggregate of

i. the taxpayer’s losses for the year from an office, employment, business or property,

ii. the aggregate of the amounts deducted by the taxpayer in computing the taxpayer’s taxable income for the year under sections 726.4.1, 726.4.3 to 726.4.7 and 729, and Titles VI.5 and VI.5.1, or that the taxpayer could have so deducted for the year under section 726.4.3 if the taxpayer’s income had been sufficient for that purpose, and of the amounts deductible in computing the taxpayer’s taxable income for the year under any of sections 725, 725.1.1, 725.1.2, 725.2 to 725.6, 738 to 746 and 845, and

iii. if the particular time referred to in section 728 precedes the taxpayer’s eleventh taxation year that follows the year, the taxpayer’s allowable business investment losses for the year, exceeds

“(b) the amount by which, for the year, in respect of the taxpayer, the total of the aggregate of the amounts determined under paragraphs *a* and *b* of section 28 and the portion of the amount determined under section 737.0.1 that does not exceed the amount determined under paragraph *b*, *c* or *d*, as the case may be, of the definition of “additional investment expense” in section 336.5, exceeds the aggregate of

i. the amount determined under subparagraph i of paragraph *c* of section 28, and

ii. the amount by which the amount deducted by the taxpayer in computing the taxpayer’s taxable income under section 725.7.1, or that the taxpayer could have so deducted if the taxpayer’s income had been sufficient for that

purpose, exceeds the amount the taxpayer is required to include in computing the taxpayer's taxable income under section 694.0.0.1."

(2) Subsection 1, when it replaces paragraph *a* of section 728.0.1 of the Act, applies from the taxation year 2006.

(3) Subsection 1, when it replaces paragraph *b* of section 728.0.1 of the Act, has effect from 1 July 2006.

**62.** (1) Section 728.1 of the Act is replaced by the following section:

**"728.1.** A taxpayer may deduct, in a particular taxation year, the farm losses sustained by the taxpayer

(*a*) in the 10 taxation years that precede and in the three taxation years that follow the particular year if the losses are sustained in a taxation year that ends after 31 December 1983, but before 1 January 2006; and

(*b*) in the 20 taxation years that precede and in the three taxation years that follow the particular year if the losses are sustained in a taxation year that ends after 31 December 2005."

(2) Subsection 1 applies from the taxation year 2006.

**63.** (1) Section 731 of the Act is replaced by the following section:

**"731.** A taxpayer may deduct, in a particular taxation year, up to the taxpayer's income for the particular year from all farming businesses carried on by the taxpayer, the restricted farm losses sustained by the taxpayer

(*a*) in the 10 taxation years that precede and in the three taxation years that follow the particular year if those losses are sustained in a taxation year that ends after 31 December 1983, but before 1 January 2006; and

(*b*) in the 20 taxation years that precede and in the three taxation years that follow the particular year if those losses are sustained in a taxation year that ends after 31 December 2005."

(2) Subsection 1 applies from the taxation year 2006.

**64.** (1) The Act is amended by inserting the following after section 737.22.0.11:

## **“TITLE VII.3.4**

### **“DEDUCTION IN RESPECT OF FOREIGN FARM WORKERS**

#### **“CHAPTER I**

##### **“DEFINITIONS**

**“737.22.0.12.** In this Title,

“foreign farm worker”, for a taxation year, means an individual who was not resident in Canada at any time in the year and who holds a valid work permit issued by the competent Canadian authority under the Immigration and Refugee Protection Act (Statutes of Canada, 2001, chapter 27) within the framework of a recognized federal program;

“recognized federal program” means any of the following programs of the Government of Canada:

- (a) the Mexican Seasonal Agricultural Workers Program;
- (b) the Caribbean Seasonal Agricultural Workers Program; and
- (c) the Pilot Project for Hiring Foreign Workers in Occupations that Usually Require a High School Diploma or Job-Specific Training;

“wages” means the income computed under Chapters I and II of Title II of Book III;

“work income”, for a taxation year, of an individual who is a foreign farm worker, in relation to an employment held by the individual in Québec within the framework of a recognized federal program, means the aggregate of all amounts each of which is wages received in the year by the individual because of, or in the course of, that employment.

#### **“CHAPTER II**

##### **“DEDUCTION**

**“737.22.0.13.** An individual who is a foreign farm worker for a taxation year may deduct, in computing taxable income for the year, an amount not exceeding 50% of the amount by which the individual’s work income for the year, in relation to an employment, exceeds the aggregate of the amounts that the individual may deduct in computing income for the year under Chapter III of Title II of Book III and that may reasonably be attributed to that employment.

### “CHAPTER III

#### “COMPUTATION OF TAXABLE INCOME

**“737.22.0.14.** For the purpose of computing the taxable income of an individual referred to in section 737.22.0.13 for a taxation year, the following rules apply:

(a) if the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, in respect of a security, or the transfer or any other disposition of the rights under the agreement referred to in section 48 and the amount of the benefit is included in the individual’s work income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;

(b) if the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive under section 49 as a consequence of the application of section 49.2 in respect of a share acquired by the individual after 22 May 1985 and the amount of the benefit is included in the individual’s work income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.3, deemed to be nil; and

(c) if the individual has included in computing income for the year an amount referred to in paragraph *a* or *e* of section 725 and the amount is included in the individual’s work income for the year, in relation to an employment, the amount is, for the purpose of computing the deduction under that paragraph, deemed to be equal to the product obtained by multiplying that amount by 50%; and

(d) if the individual has included in computing income for the year an amount referred to in subparagraph *a* of the second paragraph of section 725.1.2 and the amount is included in the individual’s work income for the year, in relation to an employment, the amount is, for the purpose of computing the deduction under the first paragraph of that section, deemed to be equal to the product obtained by multiplying that amount by 50%.”

(2) Subsection 1 applies from the taxation year 2006.

**65.** (1) Section 752.0.10.1 of the Act is amended, in the first paragraph,

(1) by replacing the portion of the definition of “total charitable gifts” before paragraph *a* by the following:

““total charitable gifts” of an individual for a taxation year means the aggregate of all amounts each of which is the fair market value of a gift, other than a gift the fair market value of which is included in the total Crown gifts, total cultural gifts, total gifts of qualified property or total musical instrument gifts of the individual for the year, made by the individual in the year or in any



of the five preceding taxation years, if the conditions set out in section 752.0.10.2 are met in respect of that amount, to”;

(2) by replacing paragraph *c* of the definition of “total charitable gifts” by the following paragraph:

“(c) a recognized arts organization if the gift is made before 30 June 2006,”;

(3) by inserting the following paragraphs after paragraph *c.1* of the definition of “total charitable gifts”:

“(c.2) a registered museum if the gift is made after 23 March 2006,

“(c.3) a registered cultural or communications organization if the gift is made after 29 June 2006,”;

(4) by replacing “Crown gifts or the total cultural gifts” in the portion of the definition of “total gifts of qualified property” before paragraph *a* by “Crown gifts, the total cultural gifts or the total musical instrument gifts”;

(5) by inserting “, other than a gift the fair market value of which is included in the total musical instrument gifts of the individual for the year,” after “of a gift” in the portion of the definition of “total cultural gifts” before paragraph *a*;

(6) by replacing paragraph *b* of the definition of “total cultural gifts” by the following paragraph:

“(b) a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre or a recognized museum, if the gift has as its object a cultural property described in subparagraph *c* of the third paragraph of section 232, unless it is also described in subparagraph *a* of that third paragraph,”;

(7) by adding the following definition in alphabetical order:

““total musical instrument gifts” of an individual for a taxation year means the aggregate of all amounts each of which is the fair market value of a gift the object of which is a musical instrument, made by the individual in the year or in any of the five preceding taxation years to any of the following entities, if it is situated in Québec and if the conditions set out in paragraph *b* of section 752.0.10.2 are met in respect of that amount:

(a) an elementary or secondary educational institution to which the Education Act (chapter I-13.3) or the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14) applies;

(b) a college governed by the General and Vocational Colleges Act (chapter C-29);

(c) a private educational institution accredited for purposes of subsidies under the Act respecting private education (chapter E-9.1);

(d) an educational institution at the university level within the meaning of the Act respecting educational institutions at the university level (chapter E-14.1); and

(e) an institution providing instruction in music and forming part of the network of the Conservatoire de musique et d'art dramatique du Québec;"

(2) Paragraphs 1, 4, 5, 6 and 7 of subsection 1 apply in respect of a gift made after 23 March 2006. In addition, when paragraph *b* of the definition of "total cultural gifts" in the first paragraph of section 752.0.10.1 of the Act applies in respect of a gift made before 24 March 2006 and to a taxation year that ends after 31 December 1999, it reads as if "an accredited" was replaced by "a recognized".

(3) Paragraph 2 of subsection 1 and paragraph 3 of subsection 1, when it enacts paragraph *c.3* of the definition of "total charitable gifts" in the first paragraph of section 752.0.10.1 of the Act, have effect from 30 June 2006.

(4) Paragraph 3 of subsection 1, when it enacts paragraph *c.2* of the definition of "total charitable gifts" in the first paragraph of section 752.0.10.1 of the Act, has effect from 24 March 2006.

**66.** (1) Section 752.0.10.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

**"752.0.10.3.** The amount representing the fair market value of a gift is not to be included in the total charitable gifts, total Crown gifts, total cultural gifts, total gifts of qualified property or total musical instrument gifts of an individual for a taxation year, unless the making of the gift is proven by".

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**67.** (1) Section 752.0.10.5.1 of the Act is amended by replacing "the total Crown gifts, total charitable gifts, total gifts of qualified property and total cultural gifts," by "the total charitable gifts, total Crown gifts, total cultural gifts, total gifts of qualified property and total musical instrument gifts,".

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**68.** (1) Section 752.0.10.6 of the Act is amended

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

"(c) for the taxation years 2002 to 2005, any of the following amounts:";

(2) by adding the following subparagraph after subparagraph *c* of the first paragraph:

“(d) from the taxation year 2006, any of the following amounts:

- i. where the aggregate determined under the second paragraph does not exceed \$200, 20% of that aggregate,
- ii. in any other case, the aggregate of \$40 and 24% of the amount by which the aggregate determined under the second paragraph exceeds \$200.”;

(3) by replacing “réfère le premier alinéa” in the portion of the second paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(4) by adding the following subparagraph after subparagraph *d* of the second paragraph:

“(e) the individual’s total musical instrument gifts for the year.”

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2006.

(3) Paragraph 4 of subsection 1 applies in respect of a gift made after 23 March 2006.

**69.** (1) Section 752.0.10.7 of the Act is replaced by the following section:

“**752.0.10.7.** No individual may deduct, for a taxation year, an amount under section 752.0.10.6 in respect of a gift of a property referred to in paragraph *b* of the definition of “total cultural gifts” in the first paragraph of section 752.0.10.1 unless the individual files with the Minister, together with the fiscal return the individual is required to file under section 1000 for the year, a certificate issued by the Commission des biens culturels du Québec stating that the property was acquired by a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44), a certified archival centre or a recognized museum, in accordance with its acquisition and conservation policy and with the directives of the Ministère de la Culture et des Communications, and specifying the fair market value of the property determined in accordance with section 752.0.10.4 or 752.0.10.4.2, as the case may be.”

(2) Subsection 1 applies in respect of a gift made after 23 March 2006. In addition, when section 752.0.10.7 of the Act applies in respect of a gift made before 24 March 2006 and to a taxation year that ends after 31 December 1999, it reads as if “an accredited museum” was replaced by “a recognized museum”.

**70.** (1) Section 752.0.10.11.1 of the Act is amended by inserting “c.3,” after “c.1,” in the first paragraph.

(2) Subsection 1 applies in respect of a gift made after 29 June 2006.

**71.** (1) The heading of Chapter I.0.3 of Title I of Book V of Part I of the Act is replaced by the following heading:

“TAX CREDITS FOR MEDICAL EXPENSES OR CARE AND FOR SEVERE AND PROLONGED IMPAIRMENTS IN MENTAL OR PHYSICAL FUNCTIONS”.

(2) Subsection 1 has effect from 1 January 2005.

**72.** (1) Section 752.0.11.1 of the Act is amended

(1) by replacing “severe and prolonged mental or physical impairment” in paragraph *d.1* by “severe and prolonged impairment in mental or physical functions”;

(2) by replacing “or artificial kidney machine” in paragraph *j* by “, artificial kidney machine, phototherapy equipment for the treatment of psoriasis or other skin disorders, or an oxygen concentrator”;

(3) by replacing the portion of paragraph *o.2.1* before subparagraph ii by the following:

“(o.2.1) on behalf of a person who has an impairment in mental or physical functions, for note-taking services, if

i. the person has been certified in writing by a practitioner to be a person who, because of that impairment, requires those services, and”;

(4) by replacing paragraph *o.2.2* by the following paragraph:

“(o.2.2) on behalf of a person who has an impairment in physical functions, for the cost of voice recognition software, if the person has been certified in writing by a practitioner to be a person who, because of that impairment, requires that software;”;

(5) by inserting the following paragraphs after paragraph *o.2.2*:

“(o.2.3) on behalf of a person who is blind or has a severe learning disability, for reading services, if

i. the person has been certified in writing by a practitioner to be a person who, because of that impairment or disability, requires those services, and

ii. the payment is made to a person in the business of providing those services;

“(o.2.4) on behalf of a person who is blind and profoundly deaf, for deaf-blind intervening services, to the extent that the payment is made to a person in the business of providing those services;”;

(6) by replacing “mental or physical impairment” in paragraph o.6 by “impairment in mental or physical functions”;

(7) by replacing subparagraph i of paragraph o.7 by the following subparagraph:

“i. the therapy is prescribed by, and administered under the general supervision of a physician or a psychologist, in the case of an impairment in mental functions, or a physician or an occupational therapist, in the case of an impairment in physical functions;”;

(8) by replacing paragraph o.8 by the following paragraph:

“(o.8) as remuneration for tutoring services that are rendered to, and are supplementary to the primary education of, a person who has a learning disability or an impairment in mental functions, and has been certified in writing by a practitioner to be a person who, because of that disability or impairment, requires such services, if the payment is made to a person ordinarily engaged in the business of providing such services to individuals who are not related to the payee;”;

(9) by replacing paragraphs r and r.1 by the following paragraphs:

“(r) for reasonable expenses relating to renovations or alterations to a dwelling of a person who lacks normal physical development or has a severe and prolonged mobility impairment, to enable the person to gain access to, or to be mobile or functional within, the dwelling, provided that those expenses

i. are not of a type that would typically be expected to increase the value of the dwelling, and

ii. are of a type that would not normally be incurred by a person who has normal physical development or who does not have a severe and prolonged mobility impairment;

“(r.1) for reasonable expenses, relating to the construction of the principal place of residence of a person who lacks normal physical development or has a severe and prolonged mobility impairment, that can reasonably be considered to be incremental costs incurred to enable the person to gain access to, or to be mobile or functional within, the person’s principal place of residence, provided that those expenses

i. are not of a type that would typically be expected to increase the value of the dwelling, and

ii. are of a type that would not normally be incurred by a person who has normal physical development or who does not have a severe and prolonged mobility impairment;”;

(10) by replacing “certified in writing by a medical practitioner” in paragraph *t* by “certified in writing by a practitioner”;

(11) by adding the following paragraphs after paragraph *t*:

“(u) for drugs obtained under Health Canada’s Special Access Programme in accordance with sections C.08.010 and C.08.011 of the Food and Drug Regulations made under the Food and Drugs Act (Revised Statutes of Canada, 1985, chapter F-27) and purchased for use by a person;

“(v) for medical devices obtained under Health Canada’s Special Access Programme in accordance with Part 2 of the Medical Devices Regulations made under the Food and Drugs Act and purchased for use by a person; or

“(w) on behalf of a person who is authorized to possess marihuana for medical purposes under the Marihuana Medical Access Regulations made under the Controlled Drugs and Substances Act (Statutes of Canada, 1996, chapter 19) or section 56 of that Act, for

i. the cost of marihuana or marihuana seeds purchased from Health Canada, or

ii. the cost of marihuana purchased from an individual who possesses, on behalf of that person, a designated-person production licence to produce marihuana under the Marihuana Medical Access Regulations or an exemption for cultivation or production under section 56 of the Controlled Drugs and Substances Act.”

(2) Paragraph 1 of subsection 1 has effect from 22 April 2005.

(3) Paragraphs 2 to 8 and 11 of subsection 1 apply from the taxation year 2005.

(4) Paragraph 9 of subsection 1 applies in respect of expenses incurred after 22 February 2005.

**73.** (1) Section 752.0.14 of the Act is amended, in the first paragraph,

(1) by replacing subparagraphs *a* and *b* by the following subparagraphs:

“(a) the individual has a severe and prolonged impairment in mental or physical functions the effects of which are such that

i. the individual’s ability to perform a basic activity of daily living is markedly restricted, or

ii. the individual's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living;

“(b) in the case where subparagraph i of subparagraph *a* applies, a physician, or, where the individual has a sight impairment, a physician or an optometrist, or, where the individual has a speech impairment, a physician or a speech-language pathologist, or, where the individual has a hearing impairment, a physician or an audiologist, or, where the individual has an impairment with respect to the individual's ability in feeding or dressing himself or herself, a physician or an occupational therapist, or, where the individual has an impairment with respect to the individual's ability in walking, a physician, an occupational therapist or a physiotherapist, or, where the individual has an impairment with respect to the individual's ability in mental functions necessary for everyday life, a physician or a psychologist, has certified in prescribed form that the individual has an impairment referred to in subparagraph i of subparagraph *a*;”;

(2) by inserting the following subparagraph after subparagraph *b*:

“(b.1) in the case where subparagraph ii of subparagraph *a* applies, a physician or, where the individual has an impairment with respect to the individual's ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, has certified in prescribed form that the individual has an impairment referred to in subparagraph ii of subparagraph *a*;”;

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

“(c) the individual has filed with the Minister the certificate referred to in paragraph *b* or *b.1* for the year; and”.

(2) Subsection 1 applies from the taxation year 2005. However, when subparagraph *b* of the first paragraph of section 752.0.14 of the Act applies in respect of a certificate issued after 31 December 2004 and before 23 February 2005, it reads as follows:

“(b) in the case where subparagraph i of subparagraph *a* applies, a physician, or, where the individual has a sight impairment, a physician or an optometrist, or, where the individual has a speech impairment, a physician or a speech-language pathologist, or, where the individual has a hearing impairment, a physician or an audiologist, or, where the individual has an impairment with respect to the individual's ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, or, where the individual has an impairment with respect to the individual's ability in mental functions necessary for everyday life, a physician or a psychologist, has certified in prescribed form that the individual has an impairment referred to in subparagraph i of subparagraph *a*;”.

**74.** (1) Section 752.0.17 of the Act is amended, in the first paragraph,

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

“(b.1) an individual is considered to have the equivalent of a marked restriction in a basic activity of daily living only where all or substantially all of the time, even with therapy and the use of appropriate devices and medication, the individual’s ability to perform more than one basic activity of daily living, including the ability to see, is significantly restricted, and the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living;”;

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

“i. mental functions necessary for everyday life;”;

(3) by inserting the following subparagraph after subparagraph *d*:

“(d.1) mental functions necessary for everyday life include

i. memory,

ii. problem solving, goal-setting and judgement, and

iii. adaptive functioning;”.

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

**75.** (1) Section 752.0.18 of the Act is amended

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

**“752.0.18.** For the purposes of sections 358.0.1 and 752.0.11 to 752.0.14, “practitioner” means”;

(2) by inserting “, physiotherapist” after “pharmacist” in the third paragraph.

(2) Paragraph 2 of subsection 1 has effect from 23 February 2005.

**76.** (1) Section 752.0.22 of the Act is amended by inserting “776.1.5.0.17, 776.1.5.0.18,” after “752.0.18.3,”.

(2) Subsection 1 applies from the taxation year 2006.

**77.** (1) Section 771.0.2.4 of the Act is amended



(1) by replacing subparagraphs *a* and *b* of the first paragraph by the following subparagraphs:

“(a) if the taxation year begins before 1 January 2009 and it begins and ends in the same particular period, the base percentage for that particular period;

“(b) if the taxation year begins before 1 January 2006 and ends after 23 March 2006, the total of

i. the proportion of 1.4% that the number of days in the taxation year that follow 31 December 2005 but precede 24 March 2006 is of the number of days in the taxation year, and

ii. the proportion of 1.9% that the number of days in the taxation year that follow 23 March 2006 is of the number of days in the taxation year;”;

(2) by replacing subparagraphs i and ii of subparagraph *c* of the first paragraph by the following subparagraphs:

“i. the proportion of the base percentage for the particular period in which the taxation year begins that the number of days in the taxation year that are included in that particular period is of the number of days in the taxation year, and

“ii. the proportion of the base percentage for the particular period in which the taxation year ends that the number of days in the taxation year that are included in that particular period is of the number of days in the taxation year; and”;

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

“(d) if the taxation year begins after 31 December 2008, 3.9%.”;

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

“For the purposes of the first paragraph, the base percentage for a particular period is equal to”;

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

“(b) 1.4%, for the particular period described in subparagraph *a* of the third paragraph;”;

(6) by inserting the following subparagraph after subparagraph *b* of the second paragraph:

“(b.1) 1.9%, for the particular period described in subparagraph *b* of the third paragraph;”;

(7) by replacing subparagraphs *c* and *d* of the second paragraph by the following subparagraphs:

“(c) 3.4%, for the calendar year 2008; and

“(d) 3.9%, for the calendar year 2009.”;

(8) by adding the following paragraph after the second paragraph:

“In this section, “particular period” means any of the calendar years 2005, 2008 and 2009 or any of the following periods:

(a) the period beginning on 1 January 2006 and ending on 23 March 2006; and

(b) the period beginning on 24 March 2006 and ending on 31 December 2007.”

(2) Subsection 1 applies from the taxation year 2006.

**78.** (1) Section 772.7 of the Act is amended by replacing subparagraphs i and ii of subparagraph *b* of the first paragraph by the following subparagraphs:

“i. either, if the individual is resident in Canada throughout the year, the aggregate of the individual’s income for the year and of all amounts each of which is an amount included in computing the individual’s taxable income for the year under section 726.35 or 737.17, or, if the individual is not resident in Canada at any time in the year, the amount determined for the year in respect of the individual under the third paragraph of section 23, exceeds

“ii. the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 726.28, 737.14, 737.16, 737.16.1, 737.18.10, 737.18.28, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.33 and 729, in computing the individual’s taxable income for the year.”

(2) Subsection 1 applies to a taxation year that ends after 23 March 2006, except when it inserts a reference to section 737.22.0.13 in subparagraph ii of subparagraph *b* of the first paragraph of section 772.7 of the Act, in which case it applies from the taxation year 2006.

**79.** (1) Section 772.9 of the Act is amended by replacing subparagraphs 1 and 2 of subparagraph ii of paragraph *a* by the following subparagraphs:

“(1) either, if the individual is resident in Canada throughout the year, the aggregate of the individual’s income for the year and of all amounts each of which is an amount included in computing the individual’s taxable income for the year under section 726.35 or 737.17, or, if the individual is not resident in Canada at any time in the year, the amount determined for the year in respect of the individual under subparagraph *a* of the third paragraph of section 23, exceeds

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 726.28, 737.14, 737.16, 737.16.1, 737.18.10, 737.18.28, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.33 and 729, in computing the individual’s taxable income for the year; and”.

(2) Subsection 1 applies to a taxation year that ends after 23 March 2006, except when it inserts a reference to section 737.22.0.13 in subparagraph 2 of subparagraph ii of paragraph *a* of section 772.9 of the Act, in which case it applies from the taxation year 2006.

**80.** (1) Section 772.11 of the Act is amended by replacing subparagraphs 1 and 2 of subparagraph ii of subparagraph *a* of the second paragraph by the following subparagraphs:

“(1) either, if the individual is resident in Canada throughout the year, the aggregate of the individual’s income for the year and of all amounts each of which is an amount included in computing the individual’s taxable income for the year under section 726.35 or 737.17, or, if the individual is not resident in Canada at any time in the year, the amount determined for the year in respect of the individual under the third paragraph of section 23, exceeds

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 726.28, 737.14, 737.16, 737.16.1, 737.18.10, 737.18.28, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.22.0.10, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9, 726.20.2, 726.33 and 729, in computing the individual’s taxable income for the year; and”.

(2) Subsection 1 applies to a taxation year that ends after 23 March 2006.

**81.** (1) Section 776.1.5.0.11 of the Act is amended

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

**“776.1.5.0.11.** An individual, other than a trust, who is resident in Québec at the end of 31 December of a particular taxation year and who is not a dealer acting as an intermediary or as a firm underwriter may deduct from the individual’s tax otherwise payable for the particular year under this Part an amount equal to the product obtained by multiplying the percentage specified

in the fifth paragraph by the amount paid by the individual in the period beginning on 1 March of the particular year and ending on the last day of February of the year following the particular year, but before 1 March 2011, for the purchase, as first purchaser, of a share of the capital stock of the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1).”;

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

“If the period described in the first paragraph ends on a statutory holiday, the period is deemed to end on the day immediately before the statutory holiday.

“If the period described in the first paragraph ends on 28 February 2005, that paragraph is to be read as if “1 March of the particular year” was replaced by “31 March of the particular year”.”;

(3) by adding the following paragraphs after the third paragraph:

“If the period described in the first paragraph ends on 28 February 2007, that paragraph is to be read as if “1 March of the particular year” was replaced by “24 March of the particular year”.

“The percentage to which the first paragraph refers is 35%, if the period referred to in that paragraph begins after 23 March 2006, and 50%, in any other case.”

(2) Subsection 1 has effect from 1 March 2006.

**82.** (1) Section 776.1.5.0.12 of the Act is replaced by the following section:

**“776.1.5.0.12.** The amount that an individual may deduct for a taxation year under section 776.1.5.0.11 may not exceed

(a) \$875, if the period referred to in the first paragraph of that section begins after 23 March 2006; and

(b) \$1,250, in any other case.”

(2) Subsection 1 has effect from 1 March 2006.

**83.** (1) The Act is amended by inserting the following after section 776.1.5.0.15:

## **“CHAPTER V**

### **“TAX CREDIT FOR NEW GRADUATES WORKING IN THE RESOURCE REGIONS**

**“776.1.5.0.16.** In this chapter,

“eligible employment” of an individual means an office or employment the duties of which are ordinarily performed by the individual in an eligible region and are related

(a) to a business carried on by the individual’s employer in that region; and

(b) to the knowledge and skills obtained by the individual in the course of the training or program leading to the awarding of a recognized diploma;

“eligible individual” for a taxation year, in relation to an eligible employment, means an individual who, at the end of 31 December of the year, is resident in Québec in an eligible region and

(a) begins to hold the eligible employment at a time in the year that is within the 24-month period that follows the date on which the individual successfully completes the courses and, where applicable, the internships leading to the awarding of a recognized diploma, or is awarded a recognized diploma that is a master’s or doctoral degree under an educational program requiring the writing of an essay, dissertation or thesis; or

(b) holds the eligible employment in the year and is resident in an eligible region throughout the period that begins at the end of 31 December of the last taxation year for which the individual may deduct an amount from the individual’s tax otherwise payable under this chapter, or is deemed to have paid an amount to the Minister on account of the individual’s tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, and that ends at the end of 31 December of the year;

“eligible region” means

(a) one of the following administrative regions described in Order in Council 2000-87 dated 22 December 1987 concerning the revision of the boundaries of the administrative regions of Québec, as amended:

- i. administrative region 01 Bas-Saint-Laurent,
- ii. administrative region 02 Saguenay–Lac-Saint-Jean,
- iii. administrative region 08 Abitibi-Témiscamingue,
- iv. administrative region 09 Côte-Nord,
- v. administrative region 10 Nord-du-Québec, or

- vi. administrative region 11 Gaspésie–Îles-de-la-Madeleine;
- (b) one of the following regional county municipalities:
  - i. Municipalité régionale de comté d’Antoine-Labelle,
  - ii. Municipalité régionale de comté de La Vallée-de-la-Gatineau,
  - iii. Municipalité régionale de comté de Mékinac, or
  - iv. Municipalité régionale de comté de Pontiac; or
- (c) the urban agglomeration of La Tuque, as described in section 8 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations (chapter E-20.001);

“recognized diploma” means

- (a) an attestation of vocational education, a diploma of vocational studies or an attestation of vocational specialization, awarded by the Minister of Education, Recreation and Sports;
- (b) a diploma of college studies in technical training awarded by the Minister of Education, Recreation and Sports or by a college-level educational institution to which the Minister of Education, Recreation and Sports has delegated the responsibility of awarding such a diploma;
- (c) an attestation of college studies in technical training awarded by a college-level educational institution of Québec;
- (d) an undergraduate or graduate diploma or degree awarded by a Québec university;
- (e) a diploma awarded by an educational institution situated outside Québec that is considered, following a comparative assessment carried out by the Minister of Immigration and Cultural Communities, to be comparable to one of the diplomas referred to in paragraphs *a* to *d*; or
- (f) an attestation of studies for a post-secondary educational program of the Conservatoire de musique et d’art dramatique du Québec, the École du Barreau du Québec, the École nationale de police du Québec or the National Theatre School of Canada.

For the purposes of the definition of “eligible individual” in the first paragraph, an individual who was resident in Québec in an eligible region immediately before the individual’s death is deemed to be resident in Québec in an eligible region throughout the period that begins at the time of the individual’s death and ends at the end of 31 December of the year in which the individual died.

**“776.1.5.0.17.** An eligible individual for a taxation year, in relation to an eligible employment, may deduct from the eligible individual’s tax otherwise payable for the year under this Part, an amount equal to the least of

(a) 40% of the aggregate of all amounts each of which is the salary or wages of the individual for the year from the eligible employment;

(b) \$3,000; and

(c) the amount by which \$8,000 exceeds the aggregate of all amounts each of which is an amount that the individual has deducted from the individual’s tax otherwise payable under this chapter or is deemed to have paid to the Minister on account of the individual’s tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, for a preceding taxation year.

**“776.1.5.0.18.** An individual who, at the end of 31 December of a taxation year, is resident in Québec outside an eligible region, has deducted, under section 776.1.5.0.17, an amount from the individual’s tax otherwise payable for the preceding taxation year in relation to a salary or wages attributable to duties performed in the course of eligible employment and receives in the taxation year a salary or wages attributable to duties performed, in the preceding taxation year, in the course of that eligible employment, may deduct from the individual’s tax otherwise payable for the year an amount equal to the amount by which the amount that the individual could have deducted from the individual’s tax otherwise payable for the preceding taxation year, under section 776.1.5.0.17, if the salary or wages had been received in the preceding taxation year, exceeds the amount that the individual has deducted from the individual’s tax otherwise payable for the preceding taxation year under section 776.1.5.0.17.

For the purposes of the first paragraph, an individual who was resident in Québec outside an eligible region immediately before the individual’s death is deemed to be resident in Québec outside an eligible region at the end of 31 December of the year in which the individual died.

**“776.1.5.0.19.** If a separate fiscal return in respect of an individual is filed under any of sections 429, 681 and 1003 for a particular period and another fiscal return in respect of the same individual is filed under this Part for a period ending in the calendar year in which the particular period ends, for the purpose of computing the tax payable under this Part by the individual in such fiscal returns, the aggregate of all deductions claimed in those returns under section 776.1.5.0.17 or 776.1.5.0.18 must not exceed the deduction that could be claimed under that section for the year in respect of the individual if no separate fiscal returns were filed under sections 429, 681 and 1003.”

(2) Subsection 1 applies from the taxation year 2006.

**84.** (1) Section 776.41.5 of the Act is amended by replacing “section 752.12” in subparagraph *a* of the second paragraph by “any of sections 752.12, 776.1.5.0.17 and 776.1.5.0.18”.

(2) Subsection 1 applies from the taxation year 2006.

**85.** (1) Section 776.65 of the Act is amended

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

**“776.65.** An individual’s basic minimum tax deduction for a taxation year is the aggregate of all amounts each of which is

(a) the amount deducted under any of sections 752.0.0.1 to 752.0.10, 752.0.14, 752.0.18.3 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18 in computing the individual’s tax payable for the year under this Part; or

(b) the amount deducted under any of sections 752.0.10.1 to 752.0.13.3 in computing the individual’s tax payable for the year under this Part, determined without reference to this Book, to the extent that the amount deducted does not exceed the maximum amount deductible under that section in computing the individual’s tax payable for the year under this Part, determined without reference to this Book.”;

(2) by replacing “that he may deduct under” in the second paragraph by “deducted under any of”.

(2) Subsection 1 applies from the taxation year 2002. However, when subparagraph *a* of the first paragraph of section 776.65 of the Act applies

(1) to any of the taxation years 2002 to 2004, it reads as if “752.0.0.1 to 752.0.10, 752.0.14, 752.0.18.3 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18” was replaced by “752.0.1 to 752.0.10, 752.0.13.4 to 752.0.15 and 752.0.18.1 to 752.0.18.15”; or

(2) to the taxation year 2005, it reads as if “752.0.18.3 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18” was replaced by “752.0.15 and 752.0.18.3 to 752.0.18.15”.

**86.** (1) Section 779 of the Act is amended by inserting “Chapter V of Title III of Book V,” after “Book V,”.

(2) Subsection 1 applies from the taxation year 2006.

**87.** Section 805 of the Act is amended by replacing “Sa Majesté aux droits d’une province” in subparagraph *a* of the first paragraph in the French text by “Sa Majesté du chef d’une province”.



**88.** (1) Section 851.33 of the Act is amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“851.33.** For the purposes of sections 752.0.10.1 to 752.0.10.18, if the fair market value of a gift made in a taxation year by an *inter vivos* trust referred to in section 851.25 in respect of a congregation would, but for this section, be included in the total charitable gifts, total Crown gifts, total cultural gifts, total gifts of qualified property or total musical instrument gifts of the trust for the year under the first paragraph of section 752.0.10.1, and the trust so elects in its fiscal return under this Part for the year, the following rules apply:”.

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**89.** (1) Section 895 of the Act is amended by replacing subparagraph 2 of subparagraph ii of paragraph *f.1* by the following subparagraph:

“(2) where the individual has at that time an impairment in mental or physical functions the effects of which on the individual have been certified, by a person described in subparagraph *b* or *b.1* of the first paragraph of section 752.0.14 in relation to the individual’s impairment, to be such that the individual cannot reasonably be expected to be enrolled as a full-time student, enrolled in a prescribed educational program as a student at a prescribed post-secondary educational institution, and”.

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

**90.** (1) Section 895.0.1 of the Act is amended by replacing “severe and prolonged mental impairment” by “severe and prolonged impairment in mental functions”.

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

**91.** (1) Section 965.88 of the Act, enacted by section 80 of chapter 13 of the statutes of 2006, is amended by replacing paragraph *b* by the following paragraph:

“(b) the corporation would meet the requirements set out in section 965.90 or 965.94 if, in those sections, “on the date of the receipt for the final prospectus or of the exemption from filing a prospectus” were replaced by “on the date of the application for an advance ruling filed with the Ministère du Revenu” and if, in subparagraph *d* of the first paragraph of section 965.94, “before the date of the receipt for the final prospectus or of the exemption from filing a prospectus” were replaced by “before the date of the application for an advance ruling filed with the Ministère du Revenu”.”

(2) Subsection 1 applies in respect of an application for an advance ruling filed with the Ministère du Revenu after 23 March 2006. In addition, when paragraph *b* of section 965.88 of the Act applies before 24 March 2006, it reads as follows:

“(b) the corporation would meet the requirements set out in section 965.90 or 965.94 if, in those sections, “on the date of the receipt for the final prospectus or of the exemption from filing a prospectus” were replaced by “on the date of the application for an advance ruling filed with the Ministère du Revenu”.”

**92.** (1) Section 965.94 of the Act, enacted by section 80 of chapter 13 of the statutes of 2006, is amended by adding the following subparagraph after subparagraph *c* of the first paragraph:

“(d) not more than 50% of the value of the issuing corporation’s property, as shown in the issuing corporation’s last consolidated statement of earnings submitted to the shareholders for its last taxation year ended before the date of the receipt for the final prospectus or of the exemption from filing a prospectus, consists of property mentioned in paragraph *e* of section 965.90.”

(2) Subsection 1 applies in respect of a public share issue in respect of which the receipt for the final prospectus or the exemption from filing a prospectus is granted after 23 March 2006.

**93.** (1) Section 965.100 of the Act, enacted by section 80 of chapter 13 of the statutes of 2006, is amended

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

“**965.100.** For the purposes of section 965.90, if a particular business carried on by a corporation is, where the Minister so decides, considered in fact to consist mainly in the continuation of a business or part of a business carried on by another taxpayer before the time of the beginning of the carrying on of the particular business by the corporation, the following rules apply:

(a) the requirement relating to the percentage of wages paid to the corporation’s employees, set out in paragraph *c* of section 965.90, is replaced by the following requirements if the corporation is in its first fiscal period:

i. throughout the period from the time of the beginning of the carrying on of the particular business by the corporation to the date of the receipt for the final prospectus or of the exemption from filing a prospectus, more than one-half of the wages paid to its employees, within the meaning of the regulations under section 771, were paid to employees of an establishment situated in Québec, and

ii. immediately before the time of the beginning of the carrying on of the particular business by the corporation, more than one-half of the wages paid by the other taxpayer to its employees, within the meaning of the regulations under section 771, were paid to employees of an establishment situated in Québec throughout the part of the 12-month period ending on the date of the receipt for the final prospectus or of the exemption from filing a prospectus that precedes the beginning of the carrying on of the particular business by the corporation; and

(b) the requirement relating to the number of employees set out in paragraph *d* of section 965.90 is replaced by the following requirements if a period of at least 12 months has not elapsed between the time of the beginning of the carrying on of the particular business by the corporation and the date of the receipt for the final prospectus or of the exemption from filing a prospectus:

i. throughout the period from the time of the beginning of the carrying on of the particular business by the corporation to the date of the receipt for the final prospectus or of the exemption from filing a prospectus, the corporation must have not fewer than five full-time employees who are neither insiders within the meaning of section 89 of the Securities Act (chapter V-1.1) nor persons related to such insiders, and

ii. immediately before the time of the beginning of the carrying on of the particular business by the corporation, the other taxpayer must have had, in relation to that business or part of a business, not fewer than five full-time employees who are neither insiders within the meaning of section 89 of that Act nor persons related to such insiders throughout the part of the 12-month period ending on the date of the receipt for the final prospectus or of the exemption from filing a prospectus that precedes the beginning of the carrying on of the particular business by the corporation.”;

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

“For the purposes of subparagraph *b* of the first paragraph, the other taxpayer is deemed to have had not fewer than five full-time employees who are neither insiders within the meaning of section 89 of the Securities Act nor persons related to such insiders, if

(a) a class of shares of its capital stock is listed on a Canadian stock exchange throughout the part of the period described in subparagraph ii of subparagraph *b* of the first paragraph; and”.

(2) Subsection 1 has effect from 22 April 2005.

**94.** (1) Section 965.129 of the Act, enacted by section 80 of chapter 13 of the statutes of 2006, is amended by inserting “and valid shares” after “qualifying shares” in subparagraph *c* of the second paragraph.

(2) Subsection 1 has effect from 22 April 2005.

**95.** (1) Section 985.26 of the Act is replaced by the following section:

“**985.26.** This chapter does not apply to a recognized arts organization nor to a registered cultural or communications organization.”

(2) Subsection 1 applies in respect of a taxation year that ends after 29 June 2006.

**96.** (1) Chapter III.3 of Title I of Book VIII of Part I of the Act is repealed.

(2) Subsection 1 applies in respect of a taxation year that ends after 29 June 2006. In addition, if a recognized arts organization that qualifies as a registered cultural or communications organization under the second paragraph of section 985.35.12 of the Act has expended a disbursement excess for its first taxation year that ends after 29 June 2006, for the purposes of Chapter III.3.2 of Title I of Book VIII of Part I of the Act, the disbursements are deemed to be a disbursement excess of the recognized arts organization, for the purposes of Chapter III.3 of Title I of Book VIII of Part I of the Act, for its last taxation year that ends before 30 June 2006, except to the extent that those disbursements are included by the registered cultural or communications organization in computing its amounts expended on artistic, cultural or communications activities under section 985.35.15 of the Act.

**97.** (1) The Act is amended by inserting the following after section 985.35:

**“CHAPTER III.3.1**

**“REGISTERED MUSEUMS**

**“985.35.1.** In this chapter,

“disbursement quota” of a registered museum for a taxation year means an amount equal to the amount determined for the year in accordance with sections 985.9 to 985.9.4 as if the registered museum were a charity registered as a charitable organization;

“qualified donee” means a donee who is

(a) described in any of subparagraphs iii.3, v and ix of paragraph *a* or in subparagraph i of paragraph *d* of section 710;

(b) a national arts service organization validly registered as such under subsection 6.4 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(c) a municipal or public body performing a function of government in Canada;

(d) a certified archival centre; or

(e) a registered museum established for purposes similar to those for which the registered museum making the gift was established;

“taxation year” means, in the case of a registered museum, a fiscal period.

**“985.35.2.** On application made to the Minister in prescribed form, the Minister may register an organization as a museum, if the Minister is of the opinion that the organization meets the following conditions:

(a) it is a museum recognized by the Minister of Culture and Communications and whose recognition is in force; and

(b) it is neither a registered charity nor a registered cultural or communications organization.

**“985.35.3.** A registered museum is required to expend, in a taxation year, on museum activities carried on by it or by way of gifts made to a qualified donee, an amount that is at least equal to its disbursement quota for the year.

**“985.35.4.** On application made to the Minister in prescribed form by a registered museum, the Minister may specify an amount in respect of the museum for a taxation year and, for the purposes of section 985.35.3, that amount is deemed to be an amount expended by the museum in the year on museum activities carried on by it.

**“985.35.5.** If a registered museum has expended a disbursement excess for a particular taxation year, the museum may, for the purpose of determining whether it complies with the requirement of section 985.35.3 for the preceding taxation year or any of the five subsequent taxation years, include in computing the amounts expended on museum activities carried on by it or by way of gifts made to a qualified donee, the portion of the disbursement excess for the particular year that was not so included under this section for a preceding taxation year.

The disbursement excess referred to in the first paragraph is the amount by which the aggregate of all amounts expended in the particular year by the registered museum on museum activities carried on by it or by way of gifts made to a qualified donee exceeds its disbursement quota for that year.

**“985.35.6.** A registered museum may, with the Minister’s approval in writing, accumulate property for a particular purpose, on such terms and conditions, and over such period of time, as specified in the approval.

Property accumulated in accordance with the first paragraph, including the income related to that property, is deemed to have been expended on museum activities carried on by the registered museum in the taxation year in which the property was so accumulated and not to have been expended in another taxation year.

However, if property accumulated by a registered museum in accordance with the first paragraph, including the income related to that property, is not used for the particular purpose referred to in that paragraph before the expiration of the period referred to in that paragraph or at an earlier time at which the

museum decided not to use the property for that purpose, it is deemed to be a gift for which the museum issued a receipt described in section 712 or 752.0.10.3 in its taxation year in which that period expired or that decision was made.

**“985.35.7.** Every registered museum shall, within six months after the end of each of its taxation years, file with the Minister an information return for the year, in prescribed form and containing the prescribed information, without notice or demand.

**“985.35.8.** The Minister may, in the manner described in sections 1064 and 1065, revoke the registration of a museum if the museum

(a) fails to comply with the requirement of section 985.35.3 for a taxation year;

(b) ceases to meet the conditions set out in paragraphs *a* and *b* of section 985.35.2; or

(c) makes a payment in the form of a gift, other than a gift made in the course of museum activities carried on by it, to a donee that is not a qualified donee at the time the gift is made.

**“985.35.9.** If a registered museum makes a gift to another registered museum and it may reasonably be considered that one of the main purposes of making the gift is to unduly delay the obligation to expend amounts on museum activities, the Minister may, in the manner described in sections 1064 and 1065, revoke the registration of the museum that is making the gift and, if it may reasonably be considered that the museums are acting in concert, may, in the same manner, also revoke the registration of the other museum.

**“985.35.10.** Sections 985.8.2 to 985.8.4 and 1063 to 1065, and Division V of Chapter III and sections 93.1.9.1, 93.1.9.2, 93.1.10.1 and 93.1.17 to 93.1.22 of the Act respecting the Ministère du Revenu (chapter M-31) apply, with the necessary modifications, to a registered museum as if it were a registered charity.

## **“CHAPTER III.3.2**

### **“REGISTERED CULTURAL OR COMMUNICATIONS ORGANIZATIONS**

**“985.35.11.** In this chapter,

“disbursement quota” of a registered cultural or communications organization for a taxation year means an amount equal to the amount determined for the year in accordance with sections 985.9 to 985.9.4 as if the registered cultural or communications organization were a charity registered as a charitable organization;

“qualified donee” means a donee who is

(a) described in any of subparagraphs iii.2, v and ix of paragraph *a* or in subparagraph i of paragraph *d* of section 710;

(b) a national arts service organization validly registered as such under subsection 6.4 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(c) a municipal or public body performing a function of government in Canada;

(d) a certified archival centre; or

(e) a registered cultural or communications organization established for purposes similar to those for which the registered cultural or communications organization making the gift was established;

“taxation year” means, in the case of a registered cultural or communications organization, a fiscal period.

**“985.35.12.** On application made to the Minister in prescribed form, the Minister may register an organization as a cultural or communications organization, if the Minister is of the opinion that the organization meets the following conditions:

(a) it is recommended by the Minister of Culture and Communications to be registered as such;

(b) it is a person described in section 996; and

(c) it is not a registered charity.

An arts organization whose recognition as a recognized arts organization is in force on 29 June 2006, is deemed to be registered as a cultural or communications organization in accordance with the first paragraph.

**“985.35.13.** A registered cultural or communications organization is required to expend, in a taxation year, on artistic, cultural or communications activities carried on by it or by way of gifts made to a qualified donee, an amount that is at least equal to its disbursement quota for the year.

**“985.35.14.** On application made to the Minister in prescribed form by a registered cultural or communications organization, the Minister may specify an amount in respect of the organization for a taxation year and, for the purposes of section 985.35.13, that amount is deemed to be an amount expended by the organization in the year on artistic, cultural or communications activities carried on by it.

**“985.35.15.** If a registered cultural or communications organization has expended a disbursement excess for a particular taxation year, the organization may, for the purpose of determining whether it complies with the requirement of section 985.35.13 for the preceding taxation year or any of the five subsequent taxation years, include in computing the amounts expended on artistic, cultural or communications activities carried on by it or by way of gifts made to a qualified donee, the portion of the disbursement excess for the particular year that was not so included under this section for a preceding taxation year.

The disbursement excess referred to in the first paragraph is the amount by which the aggregate of all amounts expended in the particular year by the registered cultural or communications organization on artistic, cultural or communications activities carried on by it or by way of gifts made to a qualified donee exceeds its disbursement quota for that year.

**“985.35.16.** A registered cultural or communications organization may, with the Minister’s approval in writing, accumulate property for a particular purpose, on such terms and conditions, and over such period of time, as specified in the approval.

Property accumulated in accordance with the first paragraph, including the income related to that property, is deemed to have been expended on artistic, cultural or communications activities carried on by the registered cultural or communications organization in the taxation year in which the property was so accumulated and not to have been expended in another taxation year.

However, if property accumulated by a registered cultural or communications organization in accordance with the first paragraph, including the income related to that property, is not used for the particular purpose referred to in that paragraph before the expiration of the period referred to in that paragraph or at an earlier time at which the organization decided not to use the property for that purpose, it is deemed to be a gift for which the organization issued a receipt described in section 712 or 752.0.10.3 in its taxation year in which that period expired or that decision was made.

**“985.35.17.** Every registered cultural or communications organization shall, within six months after the end of each of its taxation years, file with the Minister an information return for the year, in prescribed form and containing the prescribed information, without notice or demand.

**“985.35.18.** The Minister may, in the manner described in sections 1064 and 1065, revoke the registration of a cultural or communications organization if the organization

(a) fails to comply with the requirement of section 985.35.13 for a taxation year;



(b) ceases to meet the conditions set out in subparagraphs *a* to *c* of the first paragraph of section 985.35.12; or

(c) makes a payment in the form of a gift, other than a gift made in the course of artistic, cultural or communications activities carried on by it, to a donee that is not a qualified donee at the time the gift is made.

**“985.35.19.** If a registered cultural or communications organization makes a gift to another registered cultural or communications organization and it may reasonably be considered that one of the main purposes of making the gift is to unduly delay the obligation to expend amounts on artistic, cultural or communications activities, the Minister may, in the manner described in sections 1064 and 1065, revoke the registration of the cultural or communications organization that is making the gift and, if it may reasonably be considered that the organizations are acting in concert, may, in the same manner, also revoke the registration of the other cultural or communications organization.

**“985.35.20.** Sections 985.8.2 to 985.8.4 and 1063 to 1065, and Division V of Chapter III and sections 93.1.9.1, 93.1.9.2, 93.1.10.1 and 93.1.17 to 93.1.22 of the Act respecting the Ministère du Revenu (chapter M-31) apply, with the necessary modifications, to a registered cultural or communications organization as if it were a registered charity.”

(2) Subsection 1, when it enacts Chapter III.3.1 of Title I of Book VIII of Part I of the Act, applies to a taxation year that ends after 23 March 2006. However,

(1) when section 985.35.1 of the Act applies before 30 June 2006, it reads as if “subparagraphs iii.3” in paragraph *a* of the definition of “qualified donee” was replaced by “subparagraphs iii”; and

(2) when section 985.35.2 of the Act applies to a taxation year that ends before 30 June 2006, it reads as if “registered cultural or communications organization” in paragraph *b* was replaced by “recognized arts organization”.

(3) Subsection 1, when it enacts Chapter III.3.2 of Title I of Book VIII of Part I of the Act, applies to a taxation year that ends after 29 June 2006. However, for the application of that Chapter III.3.2 to an arts organization that is a registered cultural or communications organization under the second paragraph of section 985.35.12 of the Act, the following rules apply:

(1) when the arts organization has expended a disbursement excess, for the purposes of Chapter III.3 of Title I of Book VIII of Part I of the Act, in any of its last four taxation years that end before 30 June 2006, the aggregate of all amounts each of which is the amount of such disbursements expended in such a year is deemed to be, for the purposes of Chapter III.3.2 of Title I of Book VIII of Part I of the Act, a disbursement excess of the registered cultural or communications organization for the taxation year that precedes its first

taxation year that ends after 29 June 2006, except to the extent that those disbursements were included by the arts organization in computing its amounts expended on artistic or cultural activities under section 985.30 of the Act;

(2) the property accumulated in accordance with section 985.31 of the Act by the arts organization in a particular period specified by the Minister of Revenue that includes the arts organization's last taxation year that ends before 30 June 2006 is deemed to be property accumulated by the registered cultural or communications organization in accordance with the first paragraph of section 985.35.16 of the Act for the particular period; and

(3) if the arts organization was recognized by the Minister of Revenue before 13 November 2004, for the purposes of Chapter III.3 of Title I of Book VIII of Part I of the Act, and if section 985.35.11 of the Act applies in respect of computing the disbursement quota for a taxation year that begins before 1 January 2009, the amount claimed by the arts organization, as a registered cultural or communications organization, under the third paragraph of section 985.9 of the Act is deemed to be equal to zero.

**98.** (1) Section 985.36 of the Act is amended by inserting “for the year” after “determined” in the definition of “disbursement quota” in the first paragraph.

(2) Subsection 1 applies to a taxation year that begins after 12 November 2004.

**99.** (1) Section 1003 of the Act is amended by replacing subparagraph ii of subparagraph *b* of the first paragraph by the following subparagraph:

“ii. subject to sections 693.1, 752.0.26 and 776.1.5.0.19, that other person were entitled to the deductions to which the individual is entitled under sections 725 to 725.7, 752.0.0.1 to 752.0.13.3, 752.0.14 to 752.0.18.15, 776.1.5.0.17 and 776.1.5.0.18 for the year in computing the individual's taxable income or tax payable under this Part, as the case may be, for the year.”

(2) Subsection 1 applies from the taxation year 2006.

**100.** (1) Section 1015.0.1 of the Act is amended, in the first paragraph,

(1) by inserting “, 737.22.0.13” after “737.22.0.7” in the portion before subparagraph *a*;

(2) by adding the following subparagraph after subparagraph *f*:

“(g) the work permit referred to in the definition of “foreign farm worker” in section 737.22.0.12 has been issued to the individual within the framework of a recognized federal program, within the meaning of that section, and the permit is valid for that period or part of the period.”

(2) Subsection 1 applies from the taxation year 2006.

**101.** (1) Section 1029.6.0.0.1 of the Act, amended by section 87 of chapter 13 of the statutes of 2006, is again amended, in the second paragraph,

(1) by replacing “II.6.0.7” in the portion before subparagraph *a* by “II.6.0.8”;

(2) by inserting “the Department of Canadian Heritage,” after “the Canada Council for the Arts,” in subparagraph *e*;

(3) by inserting the following subparagraph after subparagraph *i*:

“(i.1) in the case of Division II.6.0.8, government assistance or non-government assistance does not include

i. an amount deemed to have been paid to the Minister for a taxation year under that division,

ii. the amount of assistance attributable to a specific grain price stabilization program negotiated with La Financière agricole du Québec,

iii. the amount of assistance attributable to a manpower training program, and

iv. the amount of federal government assistance directly attributable to the ethanol industry segment, in particular regarding market expansion, process improvement, energy efficiency and change in raw materials; and”.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 1 April 2006.

(3) Paragraph 2 of subsection 1 applies in respect of an amount received, or to be received, after 23 March 2006.

**102.** (1) Section 1029.6.0.1.2 of the Act is amended by replacing “rate schedule or receipt” by “rate schedule, receipt or report”.

(2) Subsection 1 has effect from 1 April 2006.

**103.** (1) The Act is amended by inserting the following sections after section 1029.6.0.1.8:

“**1029.6.0.1.3.1.** If, at a particular time after 21 April 2005, a person or partnership pays, pursuant to a legal obligation, a particular amount that may reasonably be considered to be the repayment of a benefit or advantage that, for the purpose of computing an amount, in this section referred to as the “credit amount”, that a taxpayer is deemed to have paid to the Minister for any given taxation year under a particular provision of this chapter, or is deemed to have overpaid to the Minister, in relation to any given taxation year, under section 34.1.9 of the Act respecting the Régie de l’assurance maladie du

Québec (chapter R-5), was taken into account in computing a cost, an expenditure or expenses, or the taxpayer's share of a cost, an expenditure or expenses, the following rules apply:

(a) if the cost, expenditure or expenses were incurred by the taxpayer, the provision of this chapter that applies in respect of the repayment by the taxpayer of an amount of government assistance or non-government assistance relating to the cost, expenditure or expenses, also applies in respect of the repayment of the benefit or advantage as if

i. the particular amount were an amount paid by the taxpayer at that time, pursuant to a legal obligation, as the repayment of non-government assistance referred to in that provision, and

ii. for the purpose of computing the credit amount for the given taxation year, or in relation to that year, the benefit or advantage had not been treated as a benefit or advantage but as non-government assistance that, in relation to the cost, expenditure or expenses, was received by the taxpayer;

(b) if the cost, expenditure or expenses were incurred by a particular partnership of which the taxpayer is a member and

i. the benefit or advantage was obtained by a partnership or by a person other than the person referred to in subparagraph ii, the provision of this chapter that applies in respect of the repayment by the particular partnership of an amount of government assistance or non-government assistance relating to the cost, expenditure or expenses, also applies in respect of the repayment of the benefit or advantage as if

(1) the particular amount were an amount paid by the particular partnership at that time, pursuant to a legal obligation, as the repayment of non-government assistance referred to in that provision, and

(2) for the purpose of computing the credit amount for the given taxation year, the benefit or advantage had not been treated as a benefit or advantage but as non-government assistance that, in relation to the cost, expenditure or expenses, was received by the particular partnership, or

ii. the benefit or advantage was obtained by the taxpayer or by a person with whom the taxpayer is not dealing at arm's length, the provision of this chapter that applies in respect of the repayment by the taxpayer of an amount of government assistance or non-government assistance relating to the cost, expenditure or expenses, also applies in respect of the repayment of the benefit or advantage as if

(1) the particular amount were an amount paid by the taxpayer at that time, pursuant to a legal obligation, as the repayment of non-government assistance referred to in that provision, and

(2) for the purpose of computing the credit amount for the given taxation year, the benefit or advantage had not been treated as a benefit or advantage but as non-government assistance that, in relation to the cost, expenditure or expenses, was received by the taxpayer;

(c) if the cost, expenditure or expenses were incurred by a corporation with which the taxpayer is associated at the end of the calendar year that ends in the given taxation year, the provision of this chapter that applies in respect of the repayment by the corporation of an amount of government assistance or non-government assistance relating to the cost, expenditure or expenses, also applies in respect of the repayment of the benefit or advantage as if

i. the particular amount were an amount paid by the corporation at that time, pursuant to a legal obligation, as the repayment of non-government assistance referred to in that provision, and

ii. for the purpose of computing the credit amount for the given taxation year, the benefit or advantage had not been treated as a benefit or advantage but as non-government assistance that, in relation to the cost, expenditure or expenses, was received by the corporation;

(d) the assumptions that, because of the application of subparagraph *a* or *c*, or of subparagraph i or ii of subparagraph *b*, were made in respect of the benefit or advantage must be taken into account for the purpose of applying, in relation to the taxpayer, the provision to which that subparagraph *a* or *c* or that subparagraph i or ii refers, in respect of the repayment, after that time, of government assistance or non-government assistance or of another benefit or advantage, relating to the cost, expenditure or expenses, or to such a cost, such an expenditure or such expenses; and

(e) if the taxpayer is deemed, because of the application of subparagraph *a* or of subparagraph i or ii of subparagraph *b*, to have paid an amount to the Minister, for a taxation year, under the provision of this chapter to which that subparagraph *a* or that subparagraph i or ii refers, the taxpayer is, for the purposes of this chapter, deemed to be so deemed in relation to an amount of non-government assistance that is repaid.

For the purposes of the first paragraph in respect of the repayment of a benefit or advantage that reduced, in computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year under any of sections 1029.7, 1029.8, 1029.8.6, 1029.8.7, 1029.8.9.0.3, 1029.8.9.0.4, 1029.8.10 and 1029.8.11, the amount of the wages, of the portion of the consideration, of the qualified expenditure, of the eligible fee or of the eligible fee balance, as the case may be, no account is to be taken of subparagraphs *c* to *e* of the first paragraph and its subparagraph *b* is to be read as follows:

“(b) if the cost, expenditure or expenses were incurred by a partnership of which the taxpayer is a member, the provision of this chapter that applies in respect of the repayment by the partnership of an amount of government

assistance or non-government assistance relating to the cost, expenditure or expenses, also applies in respect of the repayment of the benefit or advantage as if

- i. the particular amount were an amount paid by the partnership at that time, pursuant to a legal obligation, as the repayment of non-government assistance referred to in that provision, and
- ii. for the purpose of computing the credit amount for the given taxation year, the benefit or advantage had not been treated as a benefit or advantage but as non-government assistance that, in relation to the cost, expenditure or expenses, was received by the partnership.”

For the purposes of the first paragraph in respect of the repayment of a benefit or advantage that reduced, in computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year under section 1029.8.33.6 or 1029.8.33.7, the taxpayer’s qualified expenditure or the taxpayer’s share of such a qualified expenditure, the first paragraph is to be read

(a) as if the following subparagraph was added after subparagraph ii of subparagraph *a*:

“iii. subparagraph i of paragraph *b* of section 1029.8.33.2.1 were read as follows:

“i. the quotient obtained by dividing the amount that the taxpayer is deemed to have paid to the Minister for that year under section 1029.8.33.6 in respect of the trainee in relation to the particular week by the percentage specified in the first paragraph of section 1029.8.33.6 that is applicable in respect of the taxpayer for the particular year, and”;;

(b) as if the following subparagraph was added after subparagraph 2 of subparagraph i of subparagraph *b*:

“(3) subparagraph i of paragraph *b* of section 1029.8.33.2.1 were read as follows:

“i. the quotient obtained by dividing the amount that the taxpayer is deemed to have paid to the Minister for the particular year under section 1029.8.33.7 in respect of the trainee in relation to the particular week by the product obtained by multiplying

(1) the percentage specified in the first paragraph of section 1029.8.33.7 that is applicable in respect of the taxpayer for the particular year, and

(2) the proportion that the taxpayer’s share of the income or loss of the partnership for the fiscal period ended in the particular year is of the income or loss of that 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”, or”; and

(c) as if the following subparagraph was added after subparagraph 2 of subparagraph ii of subparagraph *b*:

“(3) paragraph *b* of section 1029.8.33.2.2 were read as follows:

“(b) the amount by which the eligible taxpayer’s share, determined in accordance with section 1029.8.33.7 and without reference to section 1029.8.33.7.1, of the particular qualified expenditure exceeds the aggregate of

i. the quotient obtained by dividing the amount that the taxpayer is deemed to have paid to the Minister for that taxation year under section 1029.8.33.7 in respect of the particular qualified expenditure by the percentage specified in the first paragraph of section 1029.8.33.7 that is applicable in respect of the taxpayer for the taxation year in which the particular fiscal period ended, and

ii. the amounts determined under this section, in respect of the taxpayer and in respect of the particular qualified expenditure, for a taxation year previous to the particular taxation year.”;

**“1029.6.0.1.8.2.** For the purposes of the first paragraph of section 1029.6.0.1.8.1, an amount is deemed to be an amount paid as the repayment of a benefit or advantage by a person or partnership at a particular time, pursuant to a legal obligation, if that amount

(a) reduced a cost, an expenditure or expenses for the purpose of computing an amount that a taxpayer is deemed to have paid to the Minister for a taxation year under a provision of this chapter or is deemed to have overpaid to the Minister, in relation to a taxation year, under section 34.1.9 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5);

(b) was not obtained by the person or partnership; and

(c) ceased, at that time, to be an amount that the person or partnership may reasonably expect to obtain.”

(2) Subsection 1 has effect from 22 April 2005.

**104.** (1) Section 1029.6.0.1.9 of the Act, enacted by section 93 of chapter 13 of the statutes of 2006, is amended by replacing the portion before paragraph *a* by the following:

**“1029.6.0.1.9.** A taxpayer who is deemed, under a provision of this chapter, to have paid an amount to the Minister on the taxpayer’s balance-due day for a taxation year, in relation to an amount of government assistance or non-government assistance that is repaid, is deemed, despite the provision and for the purpose of computing the payments that the taxpayer is required to make during the year under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027 or any of sections 1145, 1159.7, 1175 and 1175.19

where they refer to that subparagraph *a*, to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV, 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".

(2) Subsection 1 applies to a taxation year that ends after 11 July 2002.

**105.** (1) Section 1029.6.0.6 of the Act is amended by replacing "\$750" in subparagraph *k* of the third paragraph by "\$1,000".

(2) Subsection 1 applies from the taxation year 2006. However, when section 1029.6.0.6 of the Act applies to the taxation year 2006, it reads without reference to subparagraph *k* of the third paragraph.

**106.** Section 1029.7.9 of the Act is replaced by the following section:

**"1029.7.9.** If any of the corporations that are not controlled, directly or indirectly, in any manner whatever by one or more persons not resident in Canada and that are associated with each other in a taxation year fails to file with the Minister the agreement referred to in section 1029.7.8 within 30 days after notice in writing by the Minister is forwarded to any of them that such an agreement is required in determining the amount deemed to have been paid to the Minister on account of the corporation's tax payable for the year under this Part, the Minister shall, for the purposes of section 1029.7.2, allocate an amount to one or more of them for the year, which amount or the aggregate of which amounts, as the case may be, shall equal \$2,000,000, and in any such case, despite section 1029.7.7, the expenditure limit for the year of each of the corporations equals the amount so allocated to it."

**107.** (1) Section 1029.8.18.1 of the Act is amended by inserting ", pursuant to a legal obligation," after "a taxpayer pays" in the portion before paragraph *a*.

(2) Subsection 1 applies in respect of an amount paid after 21 April 2005.

**108.** (1) Section 1029.8.18.1.1 of the Act is amended by inserting ", pursuant to a legal obligation," after "a partnership pays" in the portion before paragraph *a*.

(2) Subsection 1 applies in respect of an amount paid after 21 April 2005.

**109.** (1) Section 1029.8.18.1.2 of the Act is amended by inserting ", pursuant to a legal obligation," after "a taxpayer who is a member of a partnership pays" in the portion before paragraph *a*.

(2) Subsection 1 applies in respect of an amount paid after 21 April 2005.



**110.** (1) Section 1029.8.18.2 of the Act is amended by inserting “pursuant to a legal obligation,” after “as the case may be,” in the portion before paragraph *a*.

(2) Subsection 1 has effect from 22 April 2005.

**111.** (1) Section 1029.8.21.27 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**112.** (1) Section 1029.8.21.28 of the Act is amended

(1) by replacing “had been reduced” in subparagraph i of paragraph *a* by “were reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**113.** (1) Section 1029.8.33.2.1 of the Act is amended by inserting “, pursuant to a legal obligation,” after “qualified partnership, as the case may be, pays” in the portion before paragraph *a*.

(2) Subsection 1 applies in respect of an amount paid after 21 April 2005.

**114.** (1) Section 1029.8.33.2.2 of the Act is amended by inserting “, pursuant to a legal obligation,” after “an eligible taxpayer who is a member of a qualified partnership pays” in the portion before paragraph *a*.

(2) Subsection 1 applies in respect of an amount paid after 21 April 2005.

**115.** (1) Section 1029.8.33.2.3 of the Act is amended by replacing “is deemed to be a repayment” in the portion before paragraph *a* by “is deemed to be paid, pursuant to a legal obligation, as a repayment”.

(2) Subsection 1 has effect from 22 April 2005.

**116.** (1) Section 1029.8.33.3 of the Act is amended

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

**“1029.8.33.3.** The amount referred to in the definition of “qualified expenditure” in the first paragraph of section 1029.8.33.2 is equal, in respect of an eligible trainee, to the lesser of the weekly limit specified in the fifth paragraph and the aggregate of”;

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

“ii. the amount obtained by multiplying the number of hours done by the eligible trainee within the framework of the qualified training period during the week by the hourly rate specified in the sixth paragraph;”;

(3) by replacing “réfère la définition de l’expression «dépense admissible» prévue au premier alinéa de l’article 1029.8.33.2” in the fourth paragraph in the French text by “la définition de l’expression «dépense admissible» prévue au premier alinéa de l’article 1029.8.33.2 fait référence”;

(4) by adding the following paragraphs:

“The weekly limit referred to in the first paragraph is \$600 if the qualified training period begins after 31 December 2006 and \$500 in any other case.

“The hourly rate referred to in the first paragraph is \$18 if the qualified training period begins after 31 December 2006 and \$15 in any other case.”

(2) Paragraphs 1, 2 and 4 of subsection 1 apply from 1 January 2007.

**117.** (1) Section 1029.8.33.4.1 of the Act is replaced by the following section:

**“1029.8.33.4.1.** If the eligible trainee in respect of whom an amount must be determined in accordance with section 1029.8.33.3 is an individual referred to in paragraph *a.1* or *c* of the definition of “eligible trainee” in the first paragraph of section 1029.8.33.2, the following rules apply:

(a) the amounts of “\$600” and “\$500” in the fifth paragraph of section 1029.8.33.3 are to be replaced by the amounts of “\$750” and “\$625”, respectively; and

(b) the figure “10” in subparagraph *b* of the first paragraph of section 1029.8.33.4 is to be replaced by the figure “20”.

(2) Subsection 1 applies from 1 January 2007.

**118.** (1) Section 1029.8.33.4.2 of the Act is replaced by the following section:

**“1029.8.33.4.2.** If the eligible trainee in respect of whom an amount must be determined in accordance with section 1029.8.33.3 serves, in an eligible region, a qualified training period that begins after 11 March 2003 but before 13 June 2003 or a qualified training period that begins after 30 March 2004 but before 1 January 2007, the following rules apply:

(a) the amount of “\$500” in the fifth paragraph of section 1029.8.33.3 is to be replaced by an amount of “\$1,000” or, if section 1029.8.33.4.1 applies, the amount of “\$625” that, because of section 1029.8.33.4.1, replaces that amount of “\$500” is itself to be replaced by an amount of “\$1,250”; and

(b) the amount of “\$15” in the sixth paragraph of section 1029.8.33.3 is to be replaced by an amount of “\$25”.”

(2) Subsection 1 applies from 1 January 2007.

**119.** (1) Section 1029.8.33.6 of the Act, amended by section 109 of chapter 13 of the statutes of 2006, is again amended by striking out “if the qualified training period to which it relates begins before 1 January 2007” in the first paragraph.

(2) Subsection 1 applies from 1 January 2007.

**120.** (1) Section 1029.8.33.7 of the Act, amended by section 110 of chapter 13 of the statutes of 2006, is again amended by striking out “if the qualified training period to which it relates begins before 1 January 2007” in the first paragraph.

(2) Subsection 1 applies from 1 January 2007.

**121.** (1) Section 1029.8.33.8 of the Act is amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“1029.8.33.8.** If, in respect of a qualified expenditure made by an eligible taxpayer in a taxation year or by a qualified partnership in a fiscal period in respect of a qualified training period, a person or partnership has obtained, is entitled to obtain or can reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the qualified training period, 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:”.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**122.** Section 1029.8.33.10 of the Act, amended by section 111 of chapter 13 of the statutes of 2006, is again amended

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

“(b) where the qualified training period is served by one or more eligible trainees referred to in any of paragraphs *b* to *c* of the definition of “eligible trainee” in the first paragraph of section 1029.8.33.2, the recognized educational institution offering the education program within the framework of which the qualified training period is served issues to the eligible taxpayer or qualified partnership, as the case may be, a certificate in prescribed form containing the prescribed information.”;

(2) by striking out the portion after subparagraph *b* of the first paragraph.

**123.** (1) Section 1029.8.33.12 of the Act is amended

(1) by adding the following paragraphs after paragraph *b* of the definition of “qualified expenditure”:

“(c) an indemnity pertaining to a statutory holiday as prescribed by the Act respecting labour standards or by the National Holiday Act (chapter F-1.1) or the compensation, in lieu of that indemnity, provided for in a contract of employment and paid to an eligible employee of the eligible taxpayer in respect of the taxation year or of the qualified partnership in respect of the fiscal period, as the case may be; and

“(d) an indemnity in respect of a family event described in any of sections 80, 81 and 81.1 of the Act respecting labour standards or the compensation, in lieu of that indemnity, provided for in a contract of employment and paid to an eligible employee of the eligible taxpayer in respect of the taxation year or of the qualified partnership in respect of the fiscal period, as the case may be;”;

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

““statutory holiday” means one of the following days:

(a) 1 January;

(b) Good Friday or Easter Monday, at the option of the employer;

(c) the Monday preceding 25 May;

(d) 24 June, or 25 June when the 24th falls on a Sunday;

(e) 1 July, or 2 July when the 1st falls on a Sunday;

(f) the first Monday in September;

(g) the second Monday in October; or

(h) 25 December;”.

(2) Subsection 1 applies in respect of an indemnity paid after 23 March 2006.

**124.** (1) Section 1029.8.33.13 of the Act is amended

(1) by replacing “réfère le premier alinéa” in the portion of the third paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by adding the following subparagraphs after subparagraph *e* of the third paragraph:

“(f) the aggregate of the indemnities pertaining to a statutory holiday as prescribed by the Act respecting labour standards or by the National Holiday Act (chapter F-1.1) or of the compensations, in lieu of those indemnities, provided for in a contract of employment, as the case may be, received in the taxation year by the eligible employees of the eligible taxpayer in respect of the salary, wages or other remuneration paid, allocated, granted, awarded or attributed by the eligible taxpayer to eligible employees in relation to the tips reported by eligible employees to the eligible taxpayer, to the tips that eligible employees received or benefited from and that constitute service charges added to a customer’s bill and to the amounts attributed by the eligible taxpayer under section 42.11 to eligible employees; and

“(g) the aggregate of the indemnities pertaining to an absence from work for family or parental matters described in any of sections 80, 81 and 81.1 of the Act respecting labour standards or of the compensations, in lieu of those indemnities, provided for in a contract of employment, as the case may be, received in the taxation year by the eligible employees of the eligible taxpayer in respect of the salary, wages or other remuneration paid, allocated, granted, awarded or attributed by the eligible taxpayer to eligible employees in relation to the tips reported by eligible employees to the eligible taxpayer, to the tips that eligible employees received or benefited from and that constitute service charges added to a customer’s bill and to the amounts attributed by the eligible taxpayer under section 42.11 to eligible employees.”;

(3) by adding the following paragraph after the third paragraph:

“For the purposes of subparagraphs *a* to *c* and *e* of the third paragraph, if no calendar year ends in a particular taxation year of a particular eligible taxpayer, no calendar year end coincides with the end of that taxation year and no amount may, but for this paragraph, be deemed to have been paid to the Minister under this division by an eligible taxpayer for a taxation year in relation to the amounts described in those subparagraphs *a* to *c* and *e* that the particular eligible taxpayer has paid in the part of the calendar year that is included in the particular taxation year, that part of a calendar year is deemed

to be a calendar year the end of which coincides with the end of that particular taxation year.”

(2) Paragraph 2 of subsection 1 applies in respect of an indemnity paid after 23 March 2006.

(3) Paragraph 3 of subsection 1 applies to a taxation year of a taxpayer that ends after 31 December 2006.

(4) In addition, paragraph 3 of subsection 1 also applies to a taxation year of a taxpayer that ends before 1 January 2007 if the taxpayer so elects by notifying the Minister of Revenue in writing on or before 6 June 2007. In such circumstances, the Minister of Revenue shall make, under Part I of the Act and despite sections 1010 to 1011 of the Act, in respect of such a taxation year, such determinations or redeterminations of the amount deemed to have been paid by the taxpayer for that taxation year under Division II.5.2 of Chapter III.1 of Title III of Book IX of that Part I, without reference to section 1029.6.0.1.2, and such assessments or reassessments of the interest and penalties payable by the taxpayer as are necessary to give effect to the election. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply, with the necessary modifications, to such determinations or assessments.

**125.** (1) Section 1029.8.33.14 of the Act is amended

(1) by replacing “réfère le premier alinéa” in the portion of the fourth paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by adding the following subparagraphs after subparagraph *e* of the fourth paragraph:

“(f) the aggregate of the indemnities pertaining to a statutory holiday as prescribed by the Act respecting labour standards or by the National Holiday Act (chapter F-1.1) or of the compensations, in lieu of those indemnities, provided for in a contract of employment, as the case may be, received in the fiscal period by the eligible employees of the qualified partnership in respect of the salary, wages or other remuneration paid, allocated, granted, awarded or attributed by the qualified partnership to eligible employees in relation to the tips reported by eligible employees to the qualified partnership, to the tips that eligible employees received or benefited from and that constitute service charges added to a customer’s bill and to the amounts attributed by the qualified partnership under section 42.11 to eligible employees; and

“(g) the aggregate of the indemnities pertaining to an absence from work for family or parental matters described in any of sections 80, 81 and 81.1 of the Act respecting labour standards or of the compensations, in lieu of those indemnities, provided for in a contract of employment, as the case may be, received in the fiscal period by the eligible employees of the qualified

partnership in respect of the salary, wages or other remuneration paid, allocated, granted, awarded or attributed by the qualified partnership to eligible employees in relation to the tips reported by eligible employees to the qualified partnership, to the tips that eligible employees received or benefited from and that constitute service charges added to a customer's bill and to the amounts attributed by the qualified partnership under section 42.11 to eligible employees.”;

(3) by adding the following paragraph after the fourth paragraph:

“For the purposes of subparagraphs *a* to *c* and *e* of the fourth paragraph, if no calendar year ends in a fiscal period of a qualified partnership, no calendar year end coincides with the end of that fiscal period and no amount may, but for this paragraph, be deemed to have been paid to the Minister under this division by a taxpayer for a taxation year in relation to the amounts described in those subparagraphs *a* to *c* and *e* that the partnership has paid in the part of the calendar year that is included in that fiscal period, that part of a calendar year is deemed to be a calendar year whose end coincides with the end of that fiscal period.”

(2) Paragraph 2 of subsection 1 applies in respect of an indemnity paid after 23 March 2006.

(3) Paragraph 3 of subsection 1 applies to a taxation year of a taxpayer that ends after 31 December 2006.

(4) In addition, paragraph 3 of subsection 1 also applies to a taxation year of a taxpayer that ends before 1 January 2007 if the taxpayer so elects by notifying the Minister of Revenue in writing on or before 6 June 2007. In such circumstances, the Minister of Revenue shall make, under Part I of the Act and despite sections 1010 to 1011 of the Act, in respect of such a taxation year, such determinations or redeterminations of the amount deemed to have been paid by the taxpayer for that taxation year under Division II.5.2 of Chapter III.1 of Title III of Book IX of that Part I, without reference to section 1029.6.0.1.2, and such assessments or reassessments of the interest and penalties payable by the taxpayer as are necessary to give effect to the election. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply, with the necessary modifications, to such determinations or assessments.

**126.** (1) Section 1029.8.34 of the Act, amended by section 112 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified expenditure for services rendered outside the Montréal area” in the first paragraph;

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph;

(2) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph ii of paragraph *b* of the definition of “computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph ii of paragraph *b* of the definition of “expenditure for services rendered outside the Montréal area” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified expenditure for services rendered outside the Montréal area” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph;

— subparagraph ii of subparagraph *e* of the second paragraph.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**127.** (1) Section 1029.8.36.0.0.1 of the Act, amended by section 113 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” in subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified film dubbing expenditure” in the first paragraph by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in that subparagraph 2 in the French text by “la date d’échéance de production qui est applicable à la société”;

(2) by replacing “that the corporation has obtained” in subparagraph ii of subparagraph *d* of the second paragraph by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in that subparagraph ii in the French text by “la date d’échéance de production qui est applicable à la société”.



(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**128.** (1) Section 1029.8.36.0.0.4 of the Act, amended by section 114 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph ii of paragraph *b* of the definition of “qualified computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph iii of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph;

(2) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph ii of paragraph *b* of the definition of “computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph ii of subparagraph *d* of the second paragraph.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**129.** (1) Section 1029.8.36.0.0.7 of the Act, amended by section 115 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph;

(2) by replacing “that the corporation has obtained” in subparagraph ii of subparagraph *c* of the second paragraph by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in that subparagraph ii in the French text by “la date d’échéance de production qui est applicable à la société”.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**130.** (1) Section 1029.8.36.0.0.10 of the Act, amended by section 116 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph;

(2) by replacing “that the corporation has obtained” in subparagraph ii of subparagraph *d* of the second paragraph by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in that subparagraph ii in the French text by “la date d’échéance de production qui est applicable à la société”.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**131.** (1) Section 1029.8.36.0.0.13 of the Act, amended by section 117 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “that the corporation has obtained” by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in the French text by “la date d’échéance de production qui est applicable à la société” in the following provisions:

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure attributable to preparation costs” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure attributable to preparation costs” in the first paragraph;

— subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure attributable to printing costs” in the first paragraph;

— subparagraph 2 of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure attributable to printing costs” in the first paragraph;

(2) by replacing “that the corporation has obtained” in subparagraph *d* of the third and fifth paragraphs by “that a person or partnership has obtained” and by replacing “la date d’échéance de production qui lui est applicable” in that subparagraph *d* of those paragraphs in the French text by “la date d’échéance de production qui est applicable à la société”.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**132.** (1) Section 1029.8.36.0.3.13 of the Act, replaced by section 122 of chapter 13 of the statutes of 2006, is again replaced by the following section:

**“1029.8.36.0.3.13.** If, in respect of eligible production work in relation to a property that is a multimedia title, a person or 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 carrying out of the eligible production work, 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, or a person or partnership is deemed to have obtained or to be entitled to obtain such a benefit or advantage upon a determination of the Minister to that effect, the amount of the salaries or wages incurred or of a portion of a consideration paid, included in the qualified labour expenditure of a corporation, for a taxation year, in respect of the property is to be reduced, where applicable, by the amount of the benefit or advantage attributable to the salaries or wages or to the portion of a consideration, as the case may be, that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, or is deemed to have obtained or to be entitled to obtain, on or before the corporation’s filing-due date for that taxation year.”

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005, or that is deemed to be so obtained after that date.

**133.** (1) Section 1029.8.36.0.3.24 of the Act, replaced by section 124 of chapter 13 of the statutes of 2006, is again replaced by the following section:

**“1029.8.36.0.3.24.** If, in respect of eligible production work relating to eligible multimedia titles, a person or 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 carrying out of the eligible production work, 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, or a person or partnership is deemed to have obtained or to be entitled to obtain such a benefit or advantage upon a determination by the Minister to that effect, the amount of the salaries or wages incurred or of a portion of a consideration paid, included in the qualified labour expenditure of

a qualified corporation, for a taxation year, is to be reduced, where applicable, by the amount of the benefit or advantage that is attributable to the salaries or wages or to the portion of a consideration, as the case may be, that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, or is deemed to have obtained or to be entitled to obtain, on or before the qualified corporation's filing-due date for that taxation year.”

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005, or that is deemed to be so obtained after that date.

**134.** (1) Section 1029.8.36.0.3.72 of the Act, enacted by section 129 of chapter 13 of the statutes of 2006, is amended, in the first paragraph,

(1) by replacing the definitions of “eligible contract” and “eligible employee” by the following definitions:

““eligible contract” of a corporation means a contract in respect of which a qualification certificate is issued to the corporation by Investissement Québec, for the purposes of this division;

““eligible employee” of a corporation for all or part of a taxation year, in relation to an eligible contract, means an employee of the corporation, other than an excluded employee at any time in that year, who, in that year or part of the year, reports at an establishment of the corporation situated in Québec and in respect of whom a qualification certificate is issued to the corporation by Investissement Québec for the purposes of this division, in respect of all or part of the year, in relation to the eligible contract;”;

(2) by replacing the definition of “qualified corporation” by the following definition:

““qualified corporation” for a taxation year means a corporation in respect of which a qualification certificate valid for the year is issued by Investissement Québec for the purposes of this division;”;

(3) by adding the following definition in alphabetical order:

““excluded corporation” for a taxation year means a corporation that, for the year, is a corporation

(a) that is exempt from tax under Book VIII; or

(b) that would be exempt from tax under section 985, but for section 192;”.

(2) Subsection 1 has effect from 1 January 2005.

**135.** (1) Section 1029.8.36.0.3.73 of the Act, enacted by section 129 of chapter 13 of the statutes of 2006, is amended

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

**“1029.8.36.0.3.73.** A qualified corporation for a taxation year that, in the year, has an establishment in Québec and carries on an eligible business in Québec, other than an excluded corporation for the year, and that encloses the documents referred to in the fifth paragraph with the fiscal return it is required to file for the year under section 1000, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 25% of the aggregate of all amounts each of which is the qualified wages incurred by the qualified corporation after 31 December 2004 and in the year, but before 1 January 2017, in respect of an eligible employee, in relation to an eligible contract, for all or part of that year.”;

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

“If the corporation referred to in the first paragraph is associated in a taxation year with at least one other qualified corporation for the year, the reference to “2,000” in the second paragraph is to be replaced by the number of employees attributed to the corporation, in respect of the taxation year, in accordance with the agreement described in section 1029.8.36.0.3.74.”;

(3) by replacing subparagraph i of subparagraph b of the fifth paragraph by the following subparagraph:

“i. the valid qualification certificate issued in respect of the corporation by Investissement Québec for the purposes of this division,”.

(2) Subsection 1 has effect from 1 January 2005.

**136.** (1) Section 1029.8.36.0.3.74 of the Act, enacted by section 129 of chapter 13 of the statutes of 2006, is amended by replacing the first paragraph by the following paragraph:

**“1029.8.36.0.3.74.** The agreement to which the third paragraph of section 1029.8.36.0.3.73 refers in respect of a taxation year means an agreement under which all of the qualified corporations for the year that are associated with each other in the year, hereinafter called the “group of associated corporations”, attribute to each corporation, for the purposes of that third paragraph, a maximum number of eligible employees in respect of whom a qualified corporation is deemed to have paid an amount to the Minister for the purposes of this division; the total of the numbers so attributed to corporations that are members of the group of associated corporations for the taxation year is not to exceed 2,000.”

(2) Subsection 1 has effect from 1 January 2005.

**137.** (1) Section 1029.8.36.0.3.76 of the Act, enacted by section 129 of chapter 13 of the statutes of 2006, is amended

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

**“1029.8.36.0.3.76.** If, before 1 January 2018, a corporation pays in a taxation year, in this section referred to as the “repayment 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 has been taken into account for the purpose of computing qualified wages incurred in a particular taxation year by the corporation in respect of an eligible employee in respect of whom the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.73 for the particular taxation year, the corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on the corporation’s balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.0.3.73 in respect of the qualified wages, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount determined under subparagraph i of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.72, exceeds the aggregate of”;

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

“(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.”

(2) Subsection 1 has effect from 1 January 2005.

**138.** (1) Section 1029.8.36.0.3.77 of the Act, enacted by section 129 of chapter 13 of the statutes of 2006, is amended by replacing the portion before paragraph *b* by the following:

**“1029.8.36.0.3.77.** For the purposes of section 1029.8.36.0.3.76, an amount of assistance is deemed to be repaid by a corporation in a taxation year, pursuant to a legal obligation, if that amount

(a) reduced, because of subparagraph i of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.72, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.73;”.

(2) Subsection 1 has effect from 1 January 2005.

**139.** (1) Section 1029.8.36.0.17 of the Act, amended by section 130 of chapter 13 of the statutes of 2006, is again amended by replacing paragraph *b* of the definition of “qualified wages” in the first paragraph by the following paragraph:

“(b) the aggregate of all amounts each of which is the amount by which the wages paid by the corporation to the employee, while the employee qualified as an eligible employee of the corporation, for a pay period ending at a time in the taxation year that is within the corporation’s eligibility period and that may reasonably be considered to be paid by the corporation in the course of carrying on a business in a qualified centre, exceeds the aggregate of

i. the amount of any contract payment, government assistance and non-government assistance, attributable to the wages, 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, and

ii. the aggregate of all amounts each of which is the amount of a benefit or advantage in respect of the wages, other than wages that may reasonably be attributed to work done by the eligible employee in the course of the eligible employee’s employment with the corporation for the year, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain after 21 April 2005 and on or before the corporation’s filing-due date for that taxation year, 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;”.

(2) Subsection 1 applies in respect of wages paid after 21 April 2005.

**140.** (1) Section 1029.8.36.0.50 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**141.** (1) Section 1029.8.36.0.51 of the Act is amended

(1) by replacing “had been reduced” in subparagraph i of paragraph *a* by “were reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**142.** (1) Section 1029.8.36.0.67 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**143.** (1) Section 1029.8.36.0.68 of the Act is amended

(1) by replacing “had been reduced” in subparagraph i of paragraph *a* by “were reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**144.** (1) Section 1029.8.36.0.78 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**145.** (1) Section 1029.8.36.0.79 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the corporation’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.



**146.** (1) Section 1029.8.36.0.82 of the Act is amended by replacing “Where, in respect of a contract entered into by a particular corporation or partnership in connection with the acquisition or lease of qualified property” in the portion of the first paragraph before subparagraph *a* by “If, in respect of the acquisition or lease of qualified property by a particular corporation or partnership”.

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**147.** (1) The Act is amended by inserting the following after section 1029.8.36.0.93:

**“DIVISION II.6.0.8**

**“CREDIT FOR THE PRODUCTION OF ETHANOL IN QUÉBEC**

**“§1. — *Interpretation***

**“1029.8.36.0.94.** In this division,

“associated group” in a taxation year means all the corporations that meet the following conditions:

(a) the corporations are associated with each other in the taxation year; and

(b) each corporation is a qualified corporation for the taxation year and has an eligibility period that includes all or part of the taxation year;

“average monthly price of crude oil” in respect of a particular month in a taxation year means the arithmetic average of the daily closing values, for the particular month, on the New York Mercantile Exchange (NYMEX) of the price per barrel of West Texas Intermediate in Oklahoma in the United States (WTI-Cushing), expressed in American dollars;

“eligibility period” of a qualified corporation means the period that begins on 1 April 2006 or, if it is later, on the particular day on which the qualified corporation begins producing eligible ethanol in Québec to be sold in Québec to the holder of a collection officer’s permit issued under the Fuel Tax Act (chapter T-1) and that ends on 31 March 2018 or, if it is earlier, on the last day of the 10-year period beginning on the particular day;

“eligible ethanol” means the ethyl alcohol with the chemical formula  $C_2H_5OH$  produced from renewable materials to be sold as a product to be blended directly with gasoline or for use as an input in the reformulation of gasoline or the making of ethyl tertiary-butyl ether;

“eligible production of ethanol” of a qualified corporation, for a particular period that is a taxation year or a part of the taxation year, means the number of litres of eligible ethanol that the qualified corporation produces in Québec in the part of the particular period that is included in its eligibility period, and that, on or before the qualified corporation’s filing-due date for the taxation year, is sold in Québec to a holder of a collection officer’s permit issued under the Fuel Tax Act or that, on that date, may reasonably be expected to be sold in Québec after that date to such a holder;

“month” means, in the case where a taxation year begins on a day in a calendar month other than the first day of that month, any period that begins on that day in a calendar month within the taxation year, other than the month in which the year ends, and that ends on the day immediately preceding that day in the calendar month that follows that month or, for the month in which the taxation year ends, on the day on which that year ends, and if there is no such immediately preceding day in the following month, on the last day of that month;

“qualified corporation” for a taxation year means a corporation that, in the year, has an establishment in Québec where it carries on a business engaged in the production of eligible ethanol, other than a corporation

(a) that is exempt from tax for the year under Book VIII; or

(b) that would be exempt from tax for the year under section 985, but for section 192.

For the purposes of the definition of “eligible production of ethanol” in the first paragraph, the qualified corporation is deemed to be selling its production of eligible ethanol in Québec in the order in which it carried out the production.

“§2. — *Credit*

**“1029.8.36.0.95.** A corporation that, for a taxation year included in whole or in part in the corporation’s eligibility period, is a qualified corporation and that encloses the documents referred to in the third paragraph with the fiscal return the corporation is required to file under section 1000 for the taxation year is deemed, subject to the fourth paragraph, to have paid to the Minister on the corporation’s balance-due day for the taxation year, on account of its tax payable for the taxation year under this Part, an amount equal to the amount by which the amount determined under section 1029.8.36.0.99 is exceeded by the lesser of

(a) the aggregate of all amounts each of which is an amount determined, for a particular month of the taxation year, by the formula

$A \times [\$0.185 - (\$0.0082 \times B + \$0.004 \times C)];$  and

(b) the balance of the qualified corporation's cumulative credit limit, for the taxation year.

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

(a) A, expressed as a number of litres, is the least of

i. the qualified corporation's eligible production of ethanol, for the particular month,

ii. the amount by which the qualified corporation's annual ceiling on the production of ethanol, for the taxation year, exceeds its eligible production of ethanol for the part of the taxation year that precedes the particular month, and

iii. the amount by which the balance of the qualified corporation's cumulative ceiling on the production of ethanol, for the taxation year, exceeds its eligible production of ethanol for the part of the taxation year that precedes the particular month;

(b) B is

i. if the average monthly price of crude oil in respect of the particular month is greater than US\$31, the number that represents the amount by which the average monthly price of crude oil, up to US\$43, exceeds US\$31, and

ii. in any other case, zero; and

(c) C is

i. if the average monthly price of crude oil in respect of the particular month is greater than US\$43, the number that represents the amount by which the average monthly price of crude oil, up to US\$65, exceeds US\$43, and

ii. in any other case, zero.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of a report specifying, in respect of each month of the taxation year, the qualified corporation's eligible production of ethanol and the average monthly price of crude oil; and

(c) where applicable, a copy of the agreements described in sections 1029.8.36.0.96 to 1029.8.36.0.98.

For the purpose of computing the payments that a qualified corporation 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*, that corporation is deemed to have paid to the Minister, on

account of the aggregate of its tax payable for the taxation year under this Part and of its tax payable for the taxation year under Parts IV, 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

(a) the amount by which the amount determined under the first paragraph for the 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 taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.36.0.96.** For the purposes of subparagraph *b* of the first paragraph of section 1029.8.36.0.95, the balance of the qualified corporation’s cumulative credit limit, for the taxation year, is equal,

(a) if the qualified corporation is a member of an associated group in the taxation year, to the amount attributed for the taxation year to the qualified corporation pursuant to the agreement described in the second paragraph or, in the absence of such an agreement, to zero or the amount, determined with reference to the rules set out in the second paragraph, attributed to the qualified corporation by the Minister, where applicable, for the taxation year; and

(b) in any other case, to the amount by which the amount obtained by multiplying \$0.152 by the lesser of 1.2 billion litres and the total of the numbers of litres each of which is the total nominal capacity of the plant in Québec of a corporation referred to in subparagraph i where the corporation produces eligible ethanol, determined for its eligibility period, or that of the plant in Québec of a corporation referred to in subparagraph ii where the corporation produces eligible ethanol, determined for the part of its eligibility period that ends at the end of the particular taxation year referred to in that subparagraph ii, exceeds the amount by which the aggregate of all amounts each of which is a tax that a corporation referred to in subparagraph i is required to pay under Part III.10.1.9 for the taxation year or a preceding taxation year or that a corporation referred to in subparagraph ii is required to pay under Part III.10.1.9 for the particular taxation year referred to in that subparagraph ii or a preceding taxation year, is exceeded by the aggregate of all amounts each of which is

i. an amount that the qualified corporation or another corporation with which it is associated in the taxation year is deemed to have paid to the Minister under section 1029.8.36.0.95 for a taxation year preceding the taxation year or under section 1029.8.36.0.101 for the taxation year or a preceding taxation year, or

ii. an amount that a corporation that was associated with a corporation referred to in subparagraph i for the last time in a particular taxation year that precedes the taxation year is deemed to have paid to the Minister under section 1029.8.36.0.95 or 1029.8.36.0.101 for the particular taxation year or a preceding taxation year.

The agreement to which subparagraph *a* of the first paragraph refers is the agreement under which all of the qualified corporations that are members of the associated group in the taxation year attribute to one or more of their number, for the purposes of this section, one or more amounts the total of which is not greater than the amount by which the amount obtained by multiplying \$0.152 by the lesser of 1.2 billion litres and the total of the numbers of litres each of which is the total nominal capacity of the plant in Québec of a corporation referred to in subparagraph *a* where the corporation produces eligible ethanol, determined for its eligibility period, or that of the plant in Québec of a corporation referred to in subparagraph *b* where the corporation produces eligible ethanol, determined for the part of its eligibility period that ends at the end of the particular taxation year referred to in that subparagraph *b*, exceeds the amount by which the aggregate of all amounts each of which is a tax that a corporation referred to in subparagraph *a* is required to pay under Part III.10.1.9 for the taxation year or a preceding taxation year or that a corporation referred to in subparagraph *b* is required to pay under Part III.10.1.9 for the particular taxation year referred to in that subparagraph *b* or a preceding taxation year, is exceeded by the aggregate of all amounts each of which is

(a) an amount that a qualified corporation that is a member of the associated group or another corporation that is not a member of the associated group but with which a qualified corporation that is a member of the associated group is associated in the taxation year is deemed to have paid to the Minister under section 1029.8.36.0.95 for a taxation year preceding the taxation year or under section 1029.8.36.0.101 for the taxation year or a preceding taxation year; or

(b) an amount that a corporation that was associated with a corporation referred to in subparagraph *a* for the last time in a particular taxation year that precedes the taxation year is deemed to have paid to the Minister under section 1029.8.36.0.95 or 1029.8.36.0.101 for the particular taxation year or a preceding taxation year.

**“1029.8.36.0.97.** For the purposes of subparagraph ii of subparagraph *a* of the second paragraph of section 1029.8.36.0.95, the qualified corporation’s annual ceiling on the production of ethanol, for the taxation year, is

(a) if the qualified corporation is a member of an associated group in the taxation year, the lesser of

i. the number of litres that, but for this subparagraph *a*, would be determined for the taxation year in respect of the qualified corporation under this paragraph, and

ii. the number of litres attributed for the taxation year to the qualified corporation pursuant to the agreement described in the second paragraph or, in the absence of such an agreement, zero or the number of litres, determined with reference to the rules set out in the second paragraph, attributed to the qualified corporation by the Minister, where applicable, for the taxation year;

(b) if subparagraph *a* does not apply and the qualified corporation's taxation year includes less than 365 days, or the first or last day of its eligibility period, the proportion of 126 million litres that the number of days in the taxation year that are included in the qualified corporation's eligibility period is of the greater of 365 and the number of days in the taxation year; and

(c) in any other case, 126 million litres.

The agreement to which subparagraph ii of subparagraph *a* of the first paragraph refers is the agreement under which all of the qualified corporations that are members of the associated group in the taxation year attribute to one or more of their number, for the purposes of this section, a number of litres; for that purpose, the total number of litres so attributed for the taxation year must not exceed the greatest of the numbers of litres that, but for that subparagraph *a*, would be determined for the taxation year in respect of each of those qualified corporations under the first paragraph.

**“1029.8.36.0.98.** For the purposes of subparagraph iii of subparagraph *a* of the second paragraph of section 1029.8.36.0.95, the balance of the qualified corporation's cumulative ceiling on the production of ethanol, for the taxation year, is

(a) if the qualified corporation is a member of an associated group in the taxation year, the number of litres attributed for the taxation year to the qualified corporation pursuant to the agreement described in the second paragraph or, in the absence of such an agreement, zero or the number of litres, determined with reference to the rules set out in the second paragraph, attributed to the qualified corporation by the Minister, where applicable, for the taxation year; and

(b) in any other case, the amount by which 1.2 billion litres exceed the total of the numbers of litres each of which is the number of litres determined under subparagraph *a* of the second paragraph of section 1029.8.36.0.95,

i. in respect of the qualified corporation or of another corporation with which it is associated in the taxation year, for a month of a taxation year preceding the taxation year, or

ii. in respect of a corporation that was associated with a corporation referred to in subparagraph i for the last time in a particular taxation year that precedes the taxation year, for a month of the particular taxation year or of a preceding taxation year.

The agreement to which subparagraph *a* of the first paragraph refers is the agreement under which all of the qualified corporations that are members of the associated group in the taxation year attribute to one or more of their number, for the purposes of this section, a number of litres; for that purpose, the total number of litres so attributed for the taxation year must not be greater than the amount by which 1.2 billion litres exceed the total of the numbers of litres each of which is the number of litres determined under subparagraph *a* of the second paragraph of section 1029.8.36.0.95,

(a) in respect of a qualified corporation that is a member of the associated group or another corporation that is not a member of the associated group but with which a qualified corporation that is a member of the associated group is associated in the taxation year, for a month of a taxation year preceding the taxation year; or

(b) in respect of a corporation that was associated with a corporation referred to in subparagraph *a* for the last time in a particular taxation year that precedes the taxation year, for a month of the particular taxation year or of a preceding taxation year.

If, in a particular taxation year, all or a portion of a corporation's eligible production of ethanol, for a preceding taxation year, 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, the number of litres determined under subparagraph *a* of the second paragraph of section 1029.8.36.0.95, in respect of the corporation, for a month of that preceding taxation year must, for the application of this section to the particular taxation year and subsequent taxation years, be determined on the assumption that that event occurred in that preceding taxation year and that the corporation sold its eligible production of ethanol for that preceding taxation year in the order in which it carried out the production.

*“§3. — Government assistance, non-government assistance and other particulars*

**“1029.8.36.0.99.** The amount to which the first paragraph of section 1029.8.36.0.95 refers is equal to the aggregate of all amounts each of which is

(a) the amount of any government assistance or non-government assistance that may reasonably be attributed to any of the portions, determined under subparagraph *a* of the second paragraph of that section, of the qualified corporation's eligible production of ethanol, for the taxation year, and that the

qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for the taxation year; or

(b) the amount of any benefit or advantage, that may reasonably be attributed to any of the portions, determined under subparagraph *a* of the second paragraph of that section, of the qualified corporation's eligible production of ethanol, for the taxation year, that is not a benefit or advantage that may reasonably be attributed to the carrying on of that activity, and that is a benefit or advantage that a person or partnership has obtained, is entitled to obtain, or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for the taxation year, 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.

**“1029.8.36.0.100.** If, at a particular time of the qualified corporation's taxation year, all or, where applicable, a portion of the excise tax imposed under section 23 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) on unleaded gasoline is not payable, because of subsection 2 of section 23.4 of that Act, on the portion, in subparagraph *a* of the third paragraph referred to as the “exempt portion of the blend”, of the blend of that gasoline to alcohol, within the meaning of subsection 1 of section 23.4 of that Act, that is the percentage by volume of alcohol in the blend, the amount determined for the taxation year under the second paragraph in respect of the qualified corporation is deemed, for the purposes of section 1029.8.36.0.99, to be an amount of government assistance that is attributable to the portions, determined under subparagraph *a* of the second paragraph of section 1029.8.36.0.95, of the qualified corporation's eligible production of ethanol, for the taxation year, and that the qualified corporation has received on or before its filing-due date for the taxation year.

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is an amount determined, for a particular month of the taxation year, by the formula

$$A \times B.$$

In the formula in the second paragraph,

(a) *A* is the amount by which the amount specified in section 9 of Schedule I to the Excise Tax Act immediately before the beginning of the particular month in respect of unleaded gasoline or, where applicable, the excess of the portion of that amount that may reasonably be considered not to be payable, because of subsection 2 of section 23.4 of that Act, over the exempt portion of the blend, exceeds \$0.10; and

(b) *B* is the portion, determined under subparagraph *a* of the second paragraph of section 1029.8.36.0.95 in respect of the particular month, of the qualified corporation's eligible production of ethanol, for the taxation year.



**“1029.8.36.0.101.** A 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 for a particular taxation year under Part I in relation to its eligible production of ethanol for that taxation year is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000 for a subsequent taxation year, in this section referred to as the “year concerned”, in which any of the following events occurs, to have paid to the Minister on its balance-due day for the year concerned, on account of its tax payable for that year under this Part, an amount equal to the amount determined under the second paragraph:

(a) the corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be the repayment of an amount included, because of paragraph *a* of section 1029.8.36.0.99, in the aggregate determined in respect of the corporation for the particular taxation year under that section;

(b) a person or partnership pays, pursuant to a legal obligation, an amount that may reasonably be considered to be the repayment of an amount included, because of paragraph *b* of section 1029.8.36.0.99, in the aggregate determined in respect of the corporation for the particular taxation year under that section; and

(c) a portion of the corporation’s eligible production of ethanol, for the particular taxation year, 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.

The amount 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 this section or section 1029.8.36.0.95 for a taxation year preceding the year concerned in relation to its eligible production of ethanol for the particular taxation year, is exceeded by 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 1129.45.3.37, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of ethanol for 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 section 1129.45.3.37 for a taxation year preceding the year concerned in relation to its eligible production of ethanol for the particular taxation year.

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.

Section 1029.6.0.1.9 applies, with the necessary modifications, to the totality of the amount that the corporation is deemed, under this section, to have paid to the Minister on the corporation's balance-due day for the year concerned.

**“1029.8.36.0.102.** For the purposes of section 1029.8.36.0.101, an amount is deemed to be an amount paid by a corporation, person or partnership, as the case may be, in a particular taxation year as a repayment of an amount included in the aggregate determined for a preceding taxation year in respect of the corporation under section 1029.8.36.0.99, pursuant to a legal obligation, if that amount

(a) has been included in that aggregate;

(b) in the case of an amount referred to in paragraph *a* of section 1029.8.36.0.99, has not been received by the corporation;

(c) in the case of an amount referred to in paragraph *b* of section 1029.8.36.0.99, has not been obtained by the person or partnership; and

(d) has ceased in the particular taxation year to be an amount that the corporation, person or partnership may reasonably expect to receive or obtain.”

(2) Subsection 1 has effect from 1 April 2006.

**148.** (1) Section 1029.8.36.23.1 of the Act, enacted by section 146 of chapter 13 of the statutes of 2006, is amended

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

**“1029.8.36.23.1.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified partnership pays, 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, in accordance with subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.18.1, the share of a qualified corporation that is a member of the qualified partnership of the amount of wages incurred by the qualified partnership in a particular fiscal period, in respect of a qualified designer or qualified patternmaker, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ended, the qualified corporation is deemed, if it is a member of the qualified partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the

assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.7.1 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the qualified corporation would be deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, in respect of the wages incurred by the qualified partnership in relation to the qualified designer or qualified patternmaker, if the qualified corporation's share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment; and

(b) any amount that the qualified corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified partnership, if the qualified corporation's share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment.”;

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

“(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.18.1; and”;

(3) by replacing “had been the same as the qualified corporation's share” in subparagraph *b* of the second paragraph by “and the qualified partnership's income or loss for that fiscal period were the same as those”.

(2) Subsection 1 applies to a taxation year of a corporation or to a fiscal period of a partnership that ends after 21 April 2005.

**149.** (1) Section 1029.8.36.23.2 of the Act, enacted by section 146 of chapter 13 of the statutes of 2006, is amended

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

**“1029.8.36.23.2.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified corporation that is a member of a qualified partnership at the end of the fiscal period of repayment pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation received and that reduced, in accordance with

subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.18.1, the qualified corporation's share of the amount of wages incurred by the qualified partnership in a particular fiscal period, in respect of a qualified designer or qualified patternmaker, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.7.1 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the qualified corporation would be deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, in respect of the share, if the qualified corporation's share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment; and

(b) any amount that the qualified corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified corporation, if the qualified corporation's share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment.”;

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

“(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.18.1; and”;

(3) by replacing “had been the same as the qualified corporation's share” in subparagraph *b* of the second paragraph by “and the qualified partnership's income or loss for that fiscal period were the same as those”.

(2) Subsection 1 applies to a taxation year of a corporation or to a fiscal period of a partnership that ends after 21 April 2005.

**150.** (1) Section 1029.8.36.25 of the Act, replaced by section 147 of chapter 13 of the statutes of 2006, is again replaced by the following section:

**“1029.8.36.25.** For the purposes of sections 1029.8.36.23 to 1029.8.36.23.2, an amount is deemed to be an amount paid, at a particular time, as a repayment of assistance by a qualified corporation or a qualified partnership, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.18.1, the wages incurred by the qualified corporation and referred to in section 1029.8.36.7 or the share of a qualified corporation of the wages incurred by the qualified partnership and referred to in section 1029.8.36.7.1;

(b) was not received by the qualified corporation or the qualified partnership; and

(c) ceased at that time to be an amount that the qualified corporation or the qualified partnership could reasonably expect to receive.”

(2) Subsection 1 applies to a taxation year of a corporation or to a fiscal period of a partnership that ends after 21 April 2005.

(3) In addition, when the portion of section 1029.8.36.25 of the Act before paragraph *a* applies to a taxation year that ends before 22 April 2005, it reads as if “, pursuant to a legal obligation,” was added after “in a taxation year”.

**151.** (1) Section 1029.8.36.58 of the Act is replaced by the following section:

**“1029.8.36.58.** If, in respect of the construction or conversion of an eligible vessel, a person or 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 preparation of the plans and specifications relating to the vessel or to construction work or conversion work in respect of the vessel, 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 amount of the salaries or wages, of a portion of a consideration or of a portion of the cost of a contract that are included in the qualified construction expenditure or in the qualified conversion expenditure, as the case may be, of a qualified corporation for a taxation year, in respect of the eligible vessel, and the cost of construction or cost of conversion, as the case may be, to the corporation of that eligible vessel for that year, is to be reduced by the amount of the benefit or advantage that is attributable to the salaries or wages, to the portion of a consideration or to the portion of the cost of a contract, as the case may be, and to the cost of construction or to the cost of conversion, as the case may be, that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation’s filing-due date for that taxation year.”

(2) Subsection 1 applies in respect of a benefit or advantage that is obtained, or to be obtained, after 21 April 2005.

**152.** (1) Section 1029.8.36.59.6 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the taxpayer’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**153.** (1) Section 1029.8.36.59.7 of the Act is amended

(1) by replacing “had reduced” in subparagraph i of paragraph *a* by “reduced”;

(2) by replacing “had been the same as the taxpayer’s share” in subparagraph ii of paragraph *a* and subparagraphs i and ii of paragraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**154.** (1) The heading of Division II.6.5.3 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

“CREDIT FOR THE CONSTRUCTION AND MAJOR REPAIR OF PUBLIC ACCESS ROADS AND BRIDGES IN FOREST AREAS”.

(2) Subsection 1 has effect from 24 March 2006.

**155.** (1) Section 1029.8.36.59.12 of the Act is amended

(1) by replacing the definition of “eligible expenses” by the following definition:

““eligible expenses” of a corporation for a taxation year or of a partnership for a fiscal period, in respect of an eligible access road or bridge of the corporation or partnership, means

(a) expenses incurred by the corporation in the year or by the partnership in the fiscal period, that are directly attributable to eligible construction work of the eligible access road or bridge, if

i. the expenses are incurred in any of the following periods:

(1) after 11 March 2003 and before 12 June 2003, or

(2) after 11 June 2003 and before 1 January 2004, if the expenses are incurred in accordance with an annual forest management plan submitted to the Minister of Natural Resources, Wildlife and Parks before 12 June 2003 and the construction of the eligible access road or bridge began before 12 June 2003, and

ii. the expenses consist of

(1) wages paid to an employee of the corporation or partnership in consideration for services rendered by the employee in connection with the carrying out of eligible construction work of the eligible access road or bridge,

(2) an expense relating to the cost of the property that is consumed in connection with the carrying out, by the corporation or partnership, of eligible construction work of the eligible access road or bridge, or

(3) the portion of the consideration paid to a person or partnership under a contract that may reasonably be attributed to eligible construction work of the eligible access road or bridge carried out on behalf of the corporation or partnership; and

(b) expenses incurred by the corporation in the year or by the partnership in the fiscal period, that are directly attributable to eligible construction and major repair work of the eligible access road or bridge, if

i. the expenses are incurred after 23 March 2006 and before 1 January 2011 in accordance with an annual forest management plan submitted to the Minister of Natural Resources and Wildlife before 1 January 2010 and the construction or major repair of the eligible access road or bridge began before 1 January 2010,

ii. the expenses consist of

(1) wages paid to an employee of the corporation or partnership in consideration for services rendered by the employee in connection with the carrying out of eligible construction and major repair work of the eligible access road or bridge,

(2) an expense relating to the cost of the property that is consumed in connection with the carrying out, by the corporation or partnership, of eligible construction and major repair work of the eligible access road or bridge, or

(3) the portion of the consideration paid to a person or partnership under a contract that may reasonably be attributed to eligible construction and major repair work of the eligible access road or bridge carried out on behalf of the corporation or partnership, and

iii. the expenses are not expenses incurred for the preventive or routine maintenance of an existing access road or bridge;”;

(2) by replacing the portion of the definition of “eligible work” before paragraph *a* by the following:

““eligible construction work” means”;

(3) by adding the following definition in alphabetical order:

““eligible construction and major repair work” means

(*a*) in respect of the construction of an access road, the impact assessments, localization, plans and specifications, clearing, grubbing, shaping, filling, drilling and blasting, subbase course, snow removal, signalization, culverts and supervision;

(*b*) in respect of the construction of a bridge, the impact assessments, geotechnical studies, localization, plans and specifications, foundation unit, superstructure, deck, approach fill, drilling and blasting, signalization and supervision; and

(*c*) major repair work on an eligible access road or bridge;”.

(2) Subsection 1 has effect from 24 March 2006. However, when section 1029.8.36.59.12 of the Act applies before 19 April 2006, subparagraph *i* of paragraph *b* of the definition of “eligible expenses” reads as if “Minister of Natural Resources and Wildlife” was replaced by “Minister of Natural Resources, Wildlife and Parks”.

**156.** (1) Section 1029.8.36.59.13 of the Act is amended by replacing “40%” in the portion before subparagraph *a* of the first paragraph by “90%”.

(2) Subsection 1 applies in respect of eligible expenses incurred after 22 October 2006.

**157.** (1) Section 1029.8.36.59.14 of the Act is amended by replacing “40%” in the portion before subparagraph *a* of the first paragraph by “90%”.

(2) Subsection 1 applies in respect of eligible expenses incurred after 22 October 2006.

**158.** (1) Section 1029.8.36.59.16 of the Act is amended

(1) by striking out “, subject to the second paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by striking out the second paragraph.

(2) Subsection 1 has effect from 12 March 2003.



**159.** (1) Section 1029.8.36.59.17 of the Act is amended

(1) by striking out “, subject to the second paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by replacing “third paragraph” in the portion of the first paragraph before subparagraph *a* by “second paragraph”;

(3) by replacing “had been the same as the corporation’s share” in subparagraphs *a* and *b* of the first paragraph and subparagraph *b* of the third paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(4) by striking out the second paragraph;

(5) by replacing “had reduced” in subparagraph *a* of the third paragraph by “reduced”.

(2) Paragraphs 1, 2 and 4 of subsection 1 have effect from 12 March 2003.

(3) Paragraphs 3 and 5 of subsection 1 have effect from 22 April 2005.

**160.** (1) Section 1029.8.36.59.18 of the Act is amended

(1) by striking out “, subject to the second paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by replacing “third paragraph” in the portion of the first paragraph before subparagraph *a* by “second paragraph”;

(3) by replacing “had been the same as the corporation’s share” in subparagraphs *a* and *b* of the first paragraph and subparagraph *b* of the third paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(4) by striking out the second paragraph;

(5) by replacing “had reduced” in subparagraph *a* of the third paragraph by “reduced”.

(2) Paragraphs 1, 2 and 4 of subsection 1 have effect from 12 March 2003.

(3) Paragraphs 3 and 5 of subsection 1 have effect from 22 April 2005.

**161.** (1) Section 1029.8.36.59.20 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

**“1029.8.36.59.20.** If, in respect of eligible expenses of a qualified corporation or a qualified partnership, 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 eligible construction work or eligible construction and major repair work, 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:”.

(2) Subsection 1 has effect from 24 March 2006.

**162.** (1) Section 1029.8.36.59.27 of the Act is amended

(1) by striking out “subject to the second paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by striking out the second paragraph.

(2) Subsection 1 has effect from 12 March 2003.

**163.** (1) Section 1029.8.36.59.28 of the Act is amended

(1) by striking out “, subject to the second paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by replacing “had reduced” in the portion of the first paragraph before subparagraph *a* by “reduced”;

(3) by replacing “had been the same as the taxpayer’s share” wherever it appears in the first paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(4) by striking out the second paragraph.

(2) Paragraphs 1 and 4 of subsection 1 have effect from 12 March 2003.

(3) Paragraphs 2 and 3 of subsection 1 have effect from 22 April 2005.

**164.** (1) Section 1029.8.36.59.29 of the Act is amended

(1) by striking out “, subject to the third paragraph,” in the portion of the first paragraph before subparagraph *a*;

(2) by replacing “had been the same as the taxpayer’s share” in subparagraphs *a* and *b* of the first paragraph and subparagraph *b* of the second paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(3) by replacing “had been reduced” in subparagraph *a* of the second paragraph by “were reduced”;

(4) by striking out the third paragraph.

(2) Paragraphs 1 and 4 of subsection 1 have effect from 12 March 2003.

(3) Paragraphs 2 and 3 of subsection 1 have effect from 22 April 2005.

**165.** (1) Section 1029.8.36.72.56 of the Act, amended by section 157 of chapter 13 of the statutes of 2006, is again amended, in the first paragraph,

(1) by replacing the definition of “eligible employee” by the following definition:

““eligible employee” of a corporation for a pay period of a calendar year, in relation to a recognized business, means an employee, other than an excluded employee at any time in that period, who, in that period, reports for work at an establishment of the employer situated in an eligible site, if the recognized business is referred to in paragraph *a* of the definition of “recognized business”, or in the Québec area, if the recognized business is referred to in paragraph *b* of that definition, and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division, in relation to the recognized business;”;

(2) by replacing subparagraph ii of paragraph *a* of the definition of “eligible amount” by the following subparagraph:

“ii. the salary or wages of an employee, other than an employee referred to in subparagraph i or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *a* of the definition of “recognized business”; and”;

(3) by replacing subparagraph ii of paragraph *b* of the definition of “eligible amount” by the following subparagraph:

“ii. the salary or wages of an employee, other than an employee referred to in subparagraph i or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *b* of the definition of “recognized business”;”;

(4) by replacing subparagraph 2 of subparagraph ii of paragraph *a* of the definition of “base amount” by the following subparagraph:

“(2) the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business, in respect of a pay period, within its base period in

relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *a* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business described in that paragraph *a*; and”;

(5) by replacing subparagraph 2 of subparagraph ii of paragraph *b* of the definition of “base amount” by the following subparagraph:

“(2) the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business, in respect of a pay period, within its base period in relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside the Québec area and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *b* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business described in that paragraph *b*;”.

(2) Subsection 1 has effect from 1 January 2002. However, when the definition of “eligible employee”, subparagraph ii of paragraphs *a* and *b* of the definition of “eligible amount” and subparagraph 2 of subparagraph ii of paragraphs *a* and *b* of the definition of “base amount”, in the first paragraph of section 1029.8.36.72.56 of the Act, apply before 1 January 2003, they read as if “pay” was struck out.

**166.** (1) Section 1029.8.36.72.58 of the Act is amended, in subparagraph ii of subparagraph *a* of the first paragraph,

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

“ii. the amount by which the aggregate of all amounts each of which is the qualified corporation’s eligible amount for the calendar year, in relation to a recognized business in respect of biotechnology, or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, exceeds the total of”;

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

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation’s base period in relation to a recognized business in respect of biotechnology it carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business in respect of biotechnology, and”.

(2) Subsection 1 has effect from 1 January 2002. However, when the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.58 of the Act before subparagraph 1 and subparagraph 2 of that subparagraph ii apply before 1 January 2003, they read as if “pay” was struck out.

**167.** (1) Section 1029.8.36.72.59 of the Act is amended, in paragraph *c*,

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

“(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of biotechnology, or the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of biotechnology in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, exceeds the total of”;

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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of biotechnology in the calendar year, to an employee in respect of a pay period, within the base period of a qualified

corporation that is a member of the group at the end of the calendar year in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business in respect of biotechnology that is carried on by a qualified corporation that is a member of the group of associated corporations.”

(2) Subsection 1 has effect from 1 January 2002. However, when the portion of paragraph *c* of section 1029.8.36.72.59 of the Act before subparagraph *i* and subparagraph *ii* of that paragraph *c* apply before 1 January 2003, they read as if “pay” was struck out.

**168.** (1) Section 1029.8.36.72.61.2 of the Act is amended, in subparagraph *ii* of subparagraph *a* of the first paragraph,

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

“*ii.* the amount by which the aggregate of all amounts each of which is the qualified corporation’s eligible amount for the calendar year, in relation to a recognized business in respect of nutraceuticals, or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, exceeds the total of”;

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

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of that calendar year to an employee in respect of a pay period, within the qualified corporation’s base period in relation to a recognized business in respect of nutraceuticals it carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in relation to the other

corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business in respect of nutraceuticals, and”.

(2) Subsection 1 has effect from 1 January 2002. However, when the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.2 of the Act before subparagraph 1 and subparagraph 2 of that subparagraph ii apply before 1 January 2003, they read as if “pay” was struck out.

**169.** (1) Section 1029.8.36.72.61.3 of the Act is amended, in paragraph *c*,

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

“(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of nutraceuticals, or the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of nutraceuticals in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, exceeds the total of”;

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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of nutraceuticals in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business in respect of nutraceuticals that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business in respect of nutraceuticals that is carried on by a qualified corporation that is a member of the group of associated corporations.”



(2) Subsection 1 has effect from 1 January 2002. However, when the portion of paragraph *c* of section 1029.8.36.72.61.3 of the Act before subparagraph *i* and subparagraph *ii* of that paragraph *c* apply before 1 January 2003, they read as if “pay” was struck out.

**170.** (1) Section 1029.8.36.72.66 of the Act is amended

(1) by replacing subparagraph 2 of subparagraph *iii* of subparagraph *c* of the first paragraph by the following subparagraph:

“(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph *iv* referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the purchaser, paid by the purchaser after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible site or the Québec area, according to whether the particular recognized business is described in paragraph *a* or *b*, respectively, of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in that paragraph *a* or *b*, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and”;

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

“i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the aggregate, in subparagraph *ii* referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the purchaser, paid by the purchaser after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work, in the course of the business, that is directly related to activities of the purchaser that are described in paragraph *a* or *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, according to whether the activities of that particular recognized business are described in that paragraph *a* or *b*, to the extent that the salary or wages may reasonably be



considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, and”;

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

“ii. the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in the course of carrying on any business in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site or the Québec area, according to whether the recognized business is described in paragraph *a* or *b*, respectively, of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in that paragraph *a* or *b*;”;

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

“(c) C is the aggregate of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in paragraph *a* or *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, according to whether the activities of that particular recognized business are described in that paragraph *a* or *b*, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;”.

(2) Subsection 1 has effect from 1 January 2002. However, when subparagraph 2 of subparagraph iii of subparagraph *c* of the first paragraph of section 1029.8.36.72.66 of the Act, subparagraph i of subparagraph *d* of that first paragraph, subparagraph ii of subparagraph *b* of the second paragraph of section 1029.8.36.72.66 and subparagraph *c* of that second paragraph apply before 1 January 2003, they read as if “pay” was struck out wherever it appears.

**171.** (1) Section 1029.8.36.72.82.1 of the Act, amended by section 160 of chapter 13 of the statutes of 2006, is again amended, in the first paragraph,

(1) by replacing the definition of “eligible employee” by the following definition:

““eligible employee” of a corporation, for a pay period within a calendar year, means an employee who, in that period, reports for work at an establishment of the employer situated in a designated area and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division;”;

(2) by replacing paragraph *b* of the definition of “eligible amount” by the following paragraph:

“(b) the salary or wages of an employee, other than an employee referred to in paragraph *a*, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;”;

(3) by replacing subparagraph ii of paragraph *b* of the definition of “base amount” by the following subparagraph:

“ii. the salary or wages of an employee that were paid by the corporation in respect of a pay period, within its base period, in which the employee reports for work at an establishment of the corporation situated in Québec but outside a designated region of the corporation and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;”;

(4) by replacing the definition of “salary or wages” by the following definition:

““salary or wages” means the income computed under Chapters I and II of Title II of Book III, but does not include,

(a) for an employee whose activities relate to the commercialization of the activities or products of a recognized business, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; and

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.”

(2) Subsection 1 has effect from 1 January 2003.

**172.** (1) Section 1029.8.36.72.82.3 of the Act is amended, in the first paragraph,

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

“ii. the amount by which the aggregate of the qualified corporation’s eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of”;

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

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation’s base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and”;

(3) by replacing the portion of subparagraph ii of subparagraph *a.1* before subparagraph 1 by the following:

“ii. the amount by which the aggregate of the amount that would be the qualified corporation’s eligible amount for the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking,

supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, exceeds the total of”;

(4) by replacing subparagraph 2 of subparagraph ii of subparagraph *a.1* by the following subparagraph:

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation’s base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1,”.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 1 January 2003.

(3) Paragraphs 3 and 4 of subsection 1 have effect from 1 January 2004.

**173.** (1) Section 1029.8.36.72.82.4 of the Act is amended, in subparagraph *c* of the first paragraph,

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

“(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of”;

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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member

of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.”

(2) Subsection 1 has effect from 1 January 2003.

**174.** (1) Section 1029.8.36.72.82.4.1 of the Act is amended, in paragraph *c*,

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

“(c) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section were considered, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section, exceeds the total of”;

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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of

the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.”

(2) Subsection 1 has effect from 1 January 2004.

**175.** (1) Section 1029.8.36.72.82.9 of the Act is amended by striking out “recognized”.

(2) Subsection 1 has effect from 1 January 2003.

**176.** (1) Section 1029.8.36.72.82.10 of the Act is amended

(1) by replacing subparagraph 2 of subparagraph iii of subparagraph *c* of the first paragraph by the following subparagraph:

“(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the “particular aggregate”, of all amounts each of which is the salary or wages that the purchaser paid to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside a designated region of the purchaser and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business.”;

(2) by replacing subparagraph 2 of subparagraph iii.1 of subparagraph *c* of the first paragraph by the following subparagraph:

“(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph v referred to as the “particular aggregate”, of all amounts each of which is the salary or wages that the purchaser paid to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside a designated region of the purchaser and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,”;

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

“(1) in respect of a pay period within the particular corporation’s base period, the amount that is the proportion of the aggregate, in subparagraph 2 referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and”;

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



“(1) in respect of a pay period within the particular corporation’s base period, the amount that is the proportion of the aggregate, in subparagraph 2 referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, that began or increased at the particular time, and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and;”;

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

“ii. the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular corporation’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business;”;

(6) by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) C is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular corporation’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;”;

(7) by adding the following paragraph after the second paragraph:



“For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and to which subparagraph *i* of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph *iii* of that subparagraph *c* or subparagraph *i*.1 of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph *iii*.1 of that subparagraph *c*, in the case where the purchaser is the particular corporation, or subparagraph 1 of subparagraph *i* of subparagraph *d* of the first paragraph or subparagraph 1 of subparagraph *ii* of that subparagraph *d*, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, refer, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.”

(2) Paragraphs 1, 5 and 6 of subsection 1 have effect from 1 January 2003.

(3) Paragraphs 2 to 4 of subsection 1 have effect from 1 January 2004.

(4) In addition, when subparagraph *i* of subparagraph *d* of the first paragraph of section 1029.8.36.72.82.10 of the Act applies before 1 January 2004, it reads as follows:

“i. in respect of the base period of the particular corporation, the amount that is the proportion of the aggregate, in subparagraph *ii* referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate that is issued for the particular calendar year to the particular corporation, for the purposes of this division, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and”.

**177.** (1) Section 1029.8.36.72.82.10.1 of the Act is amended, in the second paragraph,

(1) by replacing subparagraphs *a* and *b* by the following subparagraphs:

“(a) A is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph *i* of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay

period, within the vendor's base period, for which the employee is an eligible employee, and

ii. for the purposes of subparagraph i of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period, for which the employee is an eligible employee,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the purchaser's base period, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the other corporation's base period, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;

“(b) B is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph iii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, and

ii. for the purposes of subparagraph iii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;”;

(2) by replacing subparagraphs i and ii of subparagraph *c* by the following subparagraphs:

“i. for the purposes of subparagraph *v* of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, for which the employee is an eligible employee, or the salary or wages of an employee of the vendor paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

“ii. for the purposes of subparagraph 2 of subparagraph *v* of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, for which the employee is an eligible employee, or the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting

work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the purchaser's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the other corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;”;

(3) by replacing subparagraphs i and ii of subparagraph *d* by the following subparagraphs:

“i. for the purposes of subparagraph vii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

“ii. for the purposes of subparagraph 2 of subparagraph vii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to

an employee in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;”;

(4) by replacing subparagraphs *e* and *f* by the following subparagraphs:

“(e) E is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular corporation’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;

“(f) F is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is

directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business; and”.

(2) Subsection 1 has effect from 1 January 2003. However, when

(1) subparagraph *i* of subparagraph *b* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act applies before 1 January 2004, it reads as if “subparagraph *iii*” was replaced by “subparagraph *ii*”;

(2) the portion of subparagraph *ii* of subparagraph *b* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act before subparagraph 1 applies before 1 January 2004, it reads as if “subparagraph *iii*” was replaced by “subparagraph *ii*”;

(3) subparagraph *i* of subparagraph *c* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act applies before 1 January 2004, it reads as if “subparagraph *v*” was replaced by “subparagraph *iii*”;

(4) the portion of subparagraph *ii* of subparagraph *c* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act before subparagraph 1 applies before 1 January 2004, it reads as if “subparagraph *v*” was replaced by “subparagraph *iii*”;

(5) subparagraph *i* of subparagraph *d* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act applies before 1 January 2004, it reads as if “subparagraph *vii*” was replaced by “subparagraph *iv*”; and

(6) the portion of subparagraph *ii* of subparagraph *d* of the second paragraph of section 1029.8.36.72.82.10.1 of the Act before subparagraph 1 applies before 1 January 2004, it reads as if “subparagraph *vii*” was replaced by “subparagraph *iv*”.

**178.** (1) Section 1029.8.36.72.82.13 of the Act, amended by section 163 of chapter 13 of the statutes of 2006, is again amended

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

““eligible employee” of a corporation, for a pay period within a calendar year, means an employee who, in that period, reports for work at an establishment of the employer situated in an eligible region and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division;”;

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

“(b) the salary or wages of an employee, other than an employee referred to in paragraph *a*, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;”;

(3) by replacing paragraph *b* of the definition of “base amount” in the first paragraph by the following paragraph:

“(b) in any other case, the aggregate of all amounts each of which is the salary or wages of an employee that were paid by the corporation in respect of a pay period, within its base period, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;”;

(4) by replacing the definition of “salary or wages” in the first paragraph by the following definition:

““salary or wages” means the income computed under Chapters I and II of Title II of Book III, but does not include,

(a) for an employee whose activities relate to the commercialization of activities or products of a recognized business, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.”;

(5) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

“(a.1) if, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible region and at an establishment of the qualified corporation situated outside the eligible region, the employee is, for that period, deemed,

i. unless subparagraph ii applies, to report for work only at the establishment situated in the eligible region, or



ii. to report for work only at the establishment situated outside the eligible region if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the eligible region; and”.

(2) Subsection 1 has effect from 1 January 2004.

**179.** (1) Section 1029.8.36.72.82.15 of the Act is amended, in subparagraph ii of subparagraph *a* of the first paragraph,

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

“ii. the amount by which the aggregate of the qualified corporation’s eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of”;

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

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation’s base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and;”.

(2) Subsection 1 has effect from 1 January 2004.

**180.** (1) Section 1029.8.36.72.82.16 of the Act is amended, in paragraph *c*,

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

“(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the



end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of”;

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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.”

(2) Subsection 1 has effect from 1 January 2004.

**181.** (1) Section 1029.8.36.72.82.21 of the Act is amended by striking out “recognized”.

(2) Subsection 1 has effect from 1 January 2004.

**182.** (1) Section 1029.8.36.72.82.22 of the Act is amended

(1) by replacing subparagraph 2 of subparagraph i of subparagraph c of the first paragraph by the following subparagraph:

“(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the

salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and”;

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

“*i.* in respect of a pay period within the particular corporation’s base period, the amount that is the proportion of the aggregate, in subparagraph *ii* referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation, in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and”;

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

“(a) A is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business;

“(b) B is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, within the particular corporation’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular

corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;”;

(4) by adding the following paragraph after the second paragraph:

“For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and to which subparagraph 2 of subparagraph *i* of subparagraph *c* of the first paragraph, in the case where the purchaser is the particular corporation, or subparagraph *i* of subparagraph *d* of the first paragraph, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, refer, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.”

(2) Paragraphs 1 to 3 of subsection 1 have effect from 1 January 2004.

**183.** (1) Section 1029.8.36.72.82.23 of the Act is amended, in the second paragraph,

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

“(a) A is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph *i* of subparagraph *a* of the first paragraph, the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

ii. for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the purchaser's base period, in which the employee reports for work at an establishment of the vendor situated in an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the other corporation's base period, in which the employee reports for work at an establishment of the vendor situated in an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;”;

(2) by replacing subparagraphs i and ii of subparagraph *b* by the following subparagraphs:

“i. for the purposes of subparagraph ii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

“ii. for the purposes of subparagraph 2 of subparagraph ii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee

reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor before the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor before the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business;”;

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

“(c) *C* is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business, and

ii. for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *d* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages of an employee paid by the vendor in respect of a pay period, within the vendor's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph ii, in relation to another corporation that carries on a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, within the purchaser's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph ii, in relation to another corporation that carries on a recognized business, and

(3) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor or to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, the salary or wages of an employee paid by the vendor in respect of a pay period, within the other corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the other corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph ii, in relation to another corporation that carries on a recognized business;”.

(2) Subsection 1 has effect from 1 January 2004.

**184.** (1) Section 1029.8.36.72.83 of the Act, amended by section 166 of chapter 13 of the statutes of 2006, is again amended, in the first paragraph,

(1) by replacing the definition of “eligible employee” by the following definition:

““eligible employee” of a corporation for a pay period of a calendar year, in relation to a recognized business, means an employee, other than an excluded employee at any time in that period, who, in that period, reports for work at an establishment of the employer situated in an eligible site and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division, in relation to the recognized business;”;

(2) by replacing paragraph *b* of the definition of “eligible amount” by the following paragraph:

“(b) the salary or wages of an employee, other than an employee referred to in paragraph *a* or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business”;”;

(3) by replacing subparagraph ii of paragraph *b* of the definition of “base amount” by the following subparagraph:

“ii. the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business in respect of a pay period, within its base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business;”.

(2) Subsection 1 has effect from 1 January 2002. However, when the definition of “eligible employee”, paragraph *b* of the definition of “eligible amount” and subparagraph ii of paragraph *b* of the definition of “base amount”, in the first paragraph of section 1029.8.36.72.83 of the Act, apply before 1 January 2003, they read as if “pay” was struck out.

**185.** (1) Section 1029.8.36.72.85 of the Act is amended, in subparagraph ii of subparagraph *a* of the first paragraph,

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

“ii. the amount by which the aggregate of all amounts each of which is the qualified corporation’s eligible amount for the calendar year or the aggregate of all amounts each of which is the salary or wages paid by another corporation



with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, exceeds the total of”;

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

“(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of that calendar year to an employee in respect of a pay period, within the qualified corporation’s base period in relation to a recognized business it carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business, and”.

(2) Subsection 1 has effect from 1 January 2002. However, when the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 of the Act before subparagraph 1 and subparagraph 2 of that subparagraph ii apply before 1 January 2003, they read as if “pay” was struck out.

**186.** (1) Section 1029.8.36.72.86 of the Act is amended, in paragraph *c*,

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

“(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the salary or wages paid by another qualified corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, exceeds the total of”;



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

“ii. the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business that is carried on by a qualified corporation that is a member of the group of associated corporations.”

(2) Subsection 1 has effect from 1 January 2002. However, when the portion of paragraph *c* of section 1029.8.36.72.86 of the Act before subparagraph i and subparagraph ii of that paragraph *c* apply before 1 January 2003, they read as if “pay” was struck out.

**187.** (1) Section 1029.8.36.72.92 of the Act is amended

(1) by replacing subparagraph 2 of subparagraph iii of subparagraph *c* of the first paragraph by the following subparagraph:

“(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the purchaser, that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year in which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and”;

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

“i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the purchaser, that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and”;

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

“ii. the salary or wages of an employee, other than an excluded employee of the vendor, that the vendor paid in the course of carrying on any business in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83;”;

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

“(c) C is the aggregate of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the vendor, that the vendor paid in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;”;

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

“For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and to which subparagraph *i* of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph *iii* of that subparagraph *c*, in the case where the purchaser is the particular corporation, or subparagraph *i* of subparagraph *d* of the first paragraph, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, refer, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.”

(2) Paragraphs 1 to 4 of subsection 1 have effect from 1 January 2002. However, when subparagraph 2 of subparagraph *iii* of subparagraph *c* of the first paragraph of section 1029.8.36.72.92 of the Act, subparagraph *i* of subparagraph *d* of that first paragraph, subparagraph *ii* of subparagraph *b* of the second paragraph of section 1029.8.36.72.92 and subparagraph *c* of that second paragraph apply before 1 January 2003, they read as if “pay” was struck out wherever it appears.

**188.** (1) Section 1029.8.36.122 of the Act is amended

(1) by replacing “had reduced” in subparagraph *a* of the first paragraph by “reduced”;

(2) by replacing “had been the same as the taxpayer’s share” in subparagraph *b* of the first paragraph and subparagraphs *a* and *b* of the second paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(3) by replacing “réfère le premier alinéa” in the portion of the second and third paragraphs before subparagraph *a* in the French text by “le premier alinéa fait référence”.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 22 April 2005.

**189.** (1) Section 1029.8.36.123 of the Act is amended

(1) by replacing “had been reduced” in subparagraph *a* of the first paragraph by “were reduced”;

(2) by replacing “had been the same as the taxpayer’s share” in subparagraph *b* of the first paragraph and subparagraphs *a* and *b* of the second paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(3) by replacing “réfère le premier alinéa” in the portion of the second and third paragraphs before subparagraph *a* in the French text by “le premier alinéa fait référence”.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 22 April 2005.

**190.** (1) Section 1029.8.36.174 of the Act is amended

(1) by replacing “were the same as the corporation’s share” in subparagraphs i and ii of subparagraphs *a* and *b* of the first paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(2) by replacing “had reduced” in subparagraph *a* of the second paragraph by “reduced”;

(3) by replacing “had been the same as the corporation’s share” in subparagraph *b* of the second paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**191.** (1) Section 1029.8.36.175 of the Act is amended

(1) by replacing “were the same as the corporation’s share” in subparagraphs i and ii of subparagraphs *a* and *b* of the first paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”;

(2) by replacing “had reduced” in subparagraph *a* of the second paragraph by “reduced”;

(3) by replacing “had been the same as the corporation’s share” in subparagraph *b* of the second paragraph by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**192.** (1) Section 1029.8.36.176.1 of the Act is amended, in the third paragraph,

(1) by replacing “had been the same as the corporation’s share” in subparagraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”;

(2) by replacing “had reduced” in subparagraph *c* by “reduced”.

(2) Subsection 1 has effect from 22 April 2005.

**193.** (1) Section 1029.8.61.1 of the Act, amended by section 171 of chapter 13 of the statutes of 2006, is again amended

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

““eligible expense” made by an eligible individual in a taxation year means, subject to section 1029.8.61.2, the portion of an amount that the eligible individual pays in the year, that may reasonably be attributed to an eligible service rendered or to be rendered in respect of the eligible individual after the eligible individual has attained the age of 70 years, and that corresponds”;

(2) by striking out the definitions of “authorized manager”, “authorized payment arrangement” and “payment order” in the first paragraph;

(3) by replacing the definition of “eligible individual” in the first paragraph by the following definition:

““eligible individual” for a taxation year means an individual, other than a trust, who, at the end of 31 December of the year, is resident in Québec and has attained the age of 70 years;”;

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

“(a) the portion of an amount as rent, that may reasonably be attributed to one or more eligible services rendered or to be rendered in respect of the eligible individual, may constitute an eligible expense if it is reasonable, in respect of the rent, and specifically identified in writing by the service provider;”;

(5) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

“(a.1) the amount obtained by multiplying the total of the amounts paid in the year by the syndicate of co-owners as consideration for one or more eligible services rendered or to be rendered in respect of the common portions of an immovable, other than those for restricted use, by the share of the expenses arising from the co-ownership that relates to the fraction of the co-ownership owned by the eligible individual or the eligible individual’s spouse, is an eligible expense made by an eligible individual in a taxation year in respect of expenses arising from the divided co-ownership of the immovable;”;

(6) by replacing subparagraph *d* of the second paragraph by the following subparagraph:

“(d) the amount of an expense in respect of an eligible service rendered in respect of an eligible individual before the eligible individual’s death, paid by the legal representative on behalf of the deceased individual, is deemed to have been paid by the eligible individual in the year in which the eligible individual died.”;

(7) by adding the following paragraph after the second paragraph:

“For the purposes of the first paragraph, an individual who was resident in Québec immediately before death is deemed to be resident in Québec at the end of 31 December of the year in which the individual died.”

(2) Subsection 1 applies from the taxation year 2007.

**194.** (1) Section 1029.8.61.3 of the Act is amended

(1) by inserting “or delivery” after “preparation” in subparagraph *b* of the first paragraph;

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

“(e) a service rendered or to be rendered by a person who is a member of the Ordre des infirmières et infirmiers du Québec or of the Ordre des infirmières et infirmiers auxiliaires du Québec.”;

(3) by inserting “the second paragraph of section 1029.8.61.3.1 and” after “subject to” in the portion of the second paragraph before subparagraph *a*;

(4) by inserting “and household linen” after “clothing” in subparagraph *b* of the second paragraph;

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

“(c) a maintenance service consisting of minor maintenance work performed outside, including work to be performed usually at about the same date each year because of the change in seasons;”;

(6) by inserting the following subparagraph after subparagraph *c* of the second paragraph:

“(c.1) a maintenance service consisting of minor maintenance work on a facility that is inside the self-contained domestic establishment or, as the case may be, the building in which the self-contained domestic establishment or the room is situated, and that could have been outside, by reason of its nature or intended use; and”.

(2) Subsection 1 applies from the taxation year 2007. In addition, when subparagraph *c* of the second paragraph of section 1029.8.61.3 of the Act applies before the taxation year 2007, it reads as follows:

“(c) a maintenance service consisting of minor maintenance work performed outside; and”.

**195.** (1) The Act is amended by inserting the following section after section 1029.8.61.3:

**“1029.8.61.3.1.** For the purposes of subparagraph *b* of the first paragraph of section 1029.8.61.3, the following rules apply:

(a) a meal preparation service means, if the cost of such a service is not included in a rent amount, a service that consists in helping an individual to prepare the individual’s meals in a self-contained domestic establishment that is the individual’s principal place of residence, or a meal preparation service rendered or to be rendered by a community organization established and operated exclusively for non-profit purposes; and

(b) a meal delivery service means a service that consists in delivering meals, from the kitchen of a residence for elderly persons to a self-contained domestic establishment or a room that is situated in that residence, or a meal delivery service rendered or to be rendered by a community organization established and operated exclusively for non-profit purposes.

The service in respect of an eligible individual described in subparagraph *b* of the second paragraph of section 1029.8.61.3 includes a service rendered or to be rendered by a person or partnership whose principal business is the provision of dry cleaning, laundering or pressing services and other related services only if the service is rendered or to be rendered, for the benefit of the eligible individual, in the residence for elderly persons in which the eligible individual lives.”

(2) Subsection 1 applies from the taxation year 2007.

**196.** (1) Section 1029.8.61.4 of the Act is amended by replacing paragraphs *a* and *b* by the following paragraphs:

“(a) a personal support service, which is a service described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.61.3, rendered or to be rendered by a person who is a practitioner referred to in section 752.0.18;

“(b) a service rendered or to be rendered by a person who is a member of a professional order referred to in the Professional Code (chapter C-26) and whose provision is governed by that professional order, except a service described in subparagraph *e* of the first paragraph of section 1029.8.61.3;”.

(2) Subsection 1 applies from the taxation year 2007.

**197.** (1) Section 1029.8.61.5 of the Act is amended

(1) by replacing “23%” in the first paragraph by “25%”;

(2) by replacing “\$12,000” in the second paragraph by “\$15,000”;

(3) by adding the following paragraphs:

“An eligible individual may be deemed to have paid an amount to the Minister under the first paragraph for a taxation year in respect of an eligible expense only if the eligible individual files with the Minister any of the following documents with the fiscal return the eligible individual is required to file for the year under section 1000:

(a) if the eligible individual lives in a housing unit that is a self-contained domestic establishment or a room described in section 1029.8.61.1.1 and the eligible expense includes a portion of the rent amount, a copy of the information return, in prescribed form, sent by the lessor; and

(b) if the eligible individual lives in an immovable under divided co-ownership and the eligible expense includes an amount in respect of the expenses arising from the co-ownership, a copy of the information return, in prescribed form, sent by the syndicate of co-owners.

For the purpose of computing the payments that an eligible individual for a taxation year is required to make under section 1025 or 1026, the individual is deemed to have paid to the Minister, on account of the individual’s tax payable for the year under this Part, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the 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 year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

An eligible individual referred to in the first paragraph shall keep the invoices and other vouchers relating to the eligible services during six years after the last year to which they relate.”

(2) Subsection 1 applies from the taxation year 2007.

**198.** (1) Section 1029.8.61.6 of the Act, amended by section 172 of chapter 13 of the statutes of 2006, is replaced by the following section:

**“1029.8.61.6.** If an individual applies therefor to the Minister, in prescribed form containing the prescribed information, the Minister may pay, as an advance payment, on such terms and conditions as the Minister determines, an amount in respect of the amount that the individual considers to be the amount that the individual will be deemed to have paid to the Minister under the first paragraph of section 1029.8.61.5, on account of the individual’s tax payable for the year, in respect of an eligible expense made by the individual in the year for eligible services if



- (a) the individual is resident in Québec at the time the application is made;
- (b) the individual has reached 70 years of age at the time the eligible services are rendered or to be rendered in respect of the individual; and
- (c) the individual has applied for registration for the use of the advance payment arrangement, in prescribed form containing the prescribed information, in which the individual agrees that the advance payments be made by direct deposit in a bank account held at a financial institution situated in Québec.

The individual who receives advance payments on a regular basis shall notify the Minister, with dispatch, of any change in the individual's situation that may affect the advance payments to which the individual is entitled.

If an individual elects to have the first paragraph apply, subparagraph *a* of the fourth paragraph of section 1029.8.61.5 is to be read as follows:

“(a) the amount by which the amount determined under the first paragraph exceeds the aggregate of all amounts each of which is an advance payment referred to in the first paragraph of section 1029.8.61.6, that the eligible individual has received, or may reasonably expect to receive, for the year, less the aggregate of all amounts each of which is the portion of that excess amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and”.

- (2) Subsection 1 applies from the taxation year 2007.

**199.** (1) Section 1029.8.61.61 of the Act is amended

- (1) by replacing subparagraph iv of paragraph *b* of the definition of “minimum housing period” by the following subparagraph:

“iv. throughout the particular period, the person ordinarily lives with the individual or another individual in a self-contained domestic establishment and has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living, and”;

- (2) by replacing paragraph *b* of the definition of “eligible relative” by the following paragraph:

“(b) has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked

restriction in the ability to perform a basic activity of daily living, unless the person has reached 70 years of age or over or would have reached that age had the person not died before the end of the year, and is the father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual's spouse or any other direct ascendant of the individual or of the individual's spouse;”.

(2) Subsection 1 applies from the taxation year 2006.

**200.** (1) Section 1029.8.61.63 of the Act is amended by replacing the first paragraph by the following paragraph:

**“1029.8.61.63.** The first and second paragraphs of section 752.0.17 apply for the purpose of determining whether a person has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living.”

(2) Subsection 1 applies from the taxation year 2006.

**201.** (1) Section 1029.8.61.69 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) if the person has a severe and prolonged impairment in mental or physical functions the effects of which are such that

i. the person's ability to perform a basic activity of daily living is markedly restricted and the minimum housing period of the person for the year in relation to the individual is the period described in paragraph *b* of the definition of “minimum housing period” in section 1029.8.61.61, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has a sight impairment, a physician or an optometrist, within the meaning of that section, or, where the person has a speech impairment, a physician or a speech-language pathologist, within the meaning of that section, or, where the person has a hearing impairment, a physician or an audiologist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in walking, a physician, an occupational therapist or a physiotherapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in mental functions necessary for everyday life, a physician or a psychologist, within the meaning of that section, certifies that the person has such an impairment, or

ii. the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living and the minimum housing period of the person for the year in relation to the individual is the period described in paragraph *b* of the definition of "minimum housing period" in section 1029.8.61.61, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of that section, certifies that the person has such an impairment."

(2) Subsection 1 applies from the taxation year 2006.

**202.** (1) Section 1029.8.62 of the Act is amended, in the first paragraph,

(1) by replacing the definition of "qualifying certificate" by the following definition:

"qualifying certificate" in respect of the adoption of a person by an individual means

(a) a certificate of compliance with the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption issued by the competent authority of the State in which the adoption of the person by the individual took place, unless the Minister of Health and Social Services has referred it to the Court of Québec under the second paragraph of section 9 of the Act to implement the Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption (chapter M-35.1.3); or

(b) if the proposed adoption of a child domiciled in the People's Republic of China is approved by the Court of Québec before 1 February 2006, a certificate of the registration, by the clerk of the Court of Québec, of the adoption of the person by the individual, given to that individual in accordance with section 3 of the Act respecting adoptions of children domiciled in the People's Republic of China (chapter A-7.01);";

(2) by replacing paragraph *a* of the definition of "eligible expenses" by the following paragraph:

"(a) judicial, extrajudicial or administrative expenses incurred to obtain a qualifying certificate or a qualifying judgment, as the case may be, in respect of the adoption of the person by an individual,";

(3) by replacing "second paragraph of section 72.3" in paragraph *b* of the definition of "eligible expenses" by "third paragraph of section 71.7";

(4) by replacing paragraph *e* of the definition of "eligible expenses" by the following paragraph:

“(e) the travel and living expenses, in respect of the adoption of the person by the individual, of the individual and, where applicable, the individual’s spouse, to the extent that the travelling is necessary;”;

(5) by adding the following paragraph after paragraph g of the definition of “eligible expenses”:

“(h) the expenses that result from a requirement imposed by a government authority in respect of the adoption of the person by the individual;”;

(6) by replacing the definition of “qualifying judgment” by the following definition:

““qualifying judgment” in respect of the adoption of a person by an individual means

(a) a judgment rendered by a court having jurisdiction in Québec in recognition of a decision rendered outside Québec authorizing the adoption of the person by the individual; or

(b) a judgment authorizing the adoption of the person by the individual rendered by a court having jurisdiction in Québec, other than a judgment referred to in the second paragraph of section 1 of the Act respecting adoptions of children domiciled in the People’s Republic of China.”

(2) Paragraphs 1, 2 and 6 of subsection 1 apply from the taxation year 2006.

(3) Paragraph 3 of subsection 1 has effect from 1 February 2006.

(4) Paragraph 4 of subsection 1 applies from the taxation year 2006. In addition, it applies to any taxation year of an individual in respect of which the time limits provided for in paragraph *a* of subsection 2 of section 1010 of the Act had not expired on 29 June 2006.

(5) Paragraph 5 of subsection 1 applies from the taxation year 2006. In addition, it applies to any taxation year of an individual in respect of which the time limits provided for in paragraph *a* of subsection 2 of section 1010 of the Act had not expired on 23 March 2006.

**203.** (1) Section 1029.8.63 of the Act is amended by inserting “or issued, as the case may be,” after “given” in the first paragraph.

(2) Subsection 1 applies from the taxation year 2006.

**204.** (1) Section 1029.8.79 of the Act is amended by striking out “and Part I.2” in the portion of the first paragraph before subparagraph *a*.

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

**205.** (1) Section 1029.8.116.1 of the Act is amended by replacing paragraph *b* of the definition of “work income” by the following paragraph:

“(b) the individual’s income for the year from a business the individual carries on either alone or as a partner actively engaged in the business, computed before deducting any amount under section 130 or 130.1, other than such an income that is deductible in computing the individual’s taxable income under paragraph *e* of section 725, less the individual’s losses from such a business so computed for the year.”

(2) Subsection 1 applies from the taxation year 2006.

**206.** (1) The Act is amended by inserting the following section after section 1029.8.116.2:

**“1029.8.116.2.1.** For the purposes of paragraph *a* of the definition of “work income” in section 1029.8.116.1, the income of an individual for a taxation year from an office or employment is deemed to be equal to zero, if each of the amounts included in computing the income is the value of a benefit received or enjoyed by the individual in the year because of a previous office or employment.”

(2) Subsection 1 applies from the taxation year 2006.

**207.** (1) Section 1029.8.117 of the Act is amended by adding the following paragraph:

“For the purposes of paragraph *c* of the definition of “eligible individual” in the first paragraph, the income of an individual for a taxation year from all offices and employments is deemed to be equal to zero, if each of the amounts included in computing the income is the value of a benefit received or enjoyed by the individual in the year because of a previous office or employment.”

(2) Subsection 1 applies from the taxation year 2006.

**208.** (1) Section 1029.8.118 of the Act is amended

(1) by replacing “\$750” in the portion of subparagraph *a* of the second paragraph before subparagraph *i* by “\$1,000”;

(2) by replacing “in section” in the fifth paragraph by “in the first paragraph of section”.

(2) Subsection 1 applies from the taxation year 2006.

**209.** (1) Section 1029.8.122 of the Act, amended by section 196 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing paragraph *e* of the definition of “recognized diploma” by the following paragraph:

“(e) a diploma awarded by an educational institution situated outside Québec that is considered, following a comparative assessment carried out by the Minister of Immigration and Cultural Communities, to be comparable to one of the diplomas referred to in paragraphs *a* to *d*; or”;

(2) by replacing paragraph *b* of the definition of “eligible employment” by the following paragraph:

“(b) on taking up employment, the duties relating to that office or employment must ordinarily be performed in an eligible region and be related to a business carried on by the employer in that eligible region; and”;

(3) by replacing paragraphs *a* and *b* of the definition of “base period” by the following paragraphs:

“(a) holds eligible employment the duties of which are related to a business carried on by the employer in an eligible region; and

“(b) ordinarily performs the duties relating to that eligible employment in an eligible region;”.

(2) Subsection 1 applies from the taxation year 2003. However, when paragraph *e* of the definition of “recognized diploma” in section 1029.8.122 of the Act applies before 17 June 2005, it reads as if “Minister of Immigration and Cultural Communities” was replaced by “Minister of Relations with the Citizens and Immigration”.

**210.** (1) Section 1029.8.124 of the Act is amended by inserting “preceding the taxation year 2006” after “taxation year” in the portion of the first paragraph before subparagraph *a*.

(2) Subsection 1 has effect from 1 January 2006.

**211.** (1) Section 1055.1 of the Act is amended by replacing “1/2” in subparagraph ii of paragraph *a* by “1/4”.

(2) Subsection 1 applies in respect of a death that occurs after 12 June 2003. However, in the case of a death that occurs before 31 March 2004, subparagraph ii of paragraph *a* of section 1055.1 of the Act reads as if “1/4” was replaced by “37.5%”.

**212.** (1) Section 1055.2 of the Act is replaced by the following section:

**“1055.2.** Despite any inconsistent provision of any law, a corporation may assign or hypothecate the right to claim an amount payable to it under this Act.

The assignment or hypothec is not binding on the State and, as a result, the following rules apply:

(a) the Minister retains discretion to pay or not to pay the amount to the assignee or creditor;

(b) the assignment or hypothec does not create any liability of the State to the assignee or creditor; and

(c) the rights of the assignee or creditor are subject to the rights conferred on the State by section 31 of the Act respecting the Ministère du Revenu (chapter M-31) and any right to compensation of which the State may avail itself.”

(2) Subsection 1 applies in respect of an agreement to assign or hypothecate, after 9 March 1999, a right to claim an amount, except in respect of a case pending on 16 October 2006 in which the right to charge the amount with a hypothec by reason of the unseizability of the amount has been invoked as of that date.

**213.** (1) Section 1086.9 of the Act is amended by striking out the definition of “authorized manager”.

(2) Subsection 1 applies from the taxation year 2007.

**214.** (1) Section 1086.10 of the Act, replaced by section 207 of chapter 13 of the statutes of 2006, is again replaced by the following section:

“**1086.10.** An individual shall pay, for a taxation year, a tax equal to the aggregate of all amounts each of which is an amount paid in advance by the Minister to the individual for that year under section 1029.8.61.6.”

(2) Subsection 1 applies from the taxation year 2007.

**215.** (1) Section 1089 of the Act is amended

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

“(a) the amount by which the aggregate of the income from the duties of offices or employments performed by the individual in Québec and the income from the duties of offices or employments performed by the individual outside Canada if the individual was resident in Québec at the time the individual performed the duties exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1, a foreign professor within the meaning of section 737.22.0.5

or a foreign farm worker within the meaning of section 737.22.0.12, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7 and 737.22.0.13 if the taxable income were determined under Part I.”;

(2) by inserting “, who is an eligible individual, within the meaning of section 737.22.0.9” after “737.18.29” in the portion of the second paragraph before subparagraph *a*;

(3) by adding the following subparagraph after subparagraph *c* of the second paragraph:

“(d) the portion of the particular amount that is included in the amount determined in respect of the individual for the year under section 737.22.0.10.”;

(4) by adding the following paragraph after the third paragraph:

“For the purposes of the first paragraph, if an individual is, in a taxation year, a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot, or is a member of a partnership that is such a certified forest producer in respect of a private woodlot, the particular amount that is determined in respect of the individual for the year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under section 726.35 and reduced by the amount that the individual could deduct in computing the individual's taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2006.

(3) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 2001.

(4) Paragraph 4 of subsection 1 applies to a taxation year that ends after 23 March 2006.

**216.** (1) Section 1090 of the Act is amended

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

“(a) the amount by which the aggregate of the income from the duties of offices or employments performed by the individual in Canada and the income from the duties of offices or employments performed by the individual outside Canada if the individual was resident in Canada at the time the individual performed the duties exceeds the aggregate of the amounts that, if the individual is an individual referred to in section 737.16.1, a foreign researcher within the meaning of section 737.19, a foreign researcher on a postdoctoral internship within the meaning of section 737.22.0.0.1, a foreign expert within the meaning



of section 737.22.0.0.5, a foreign specialist within the meaning of section 737.22.0.1, a foreign professor within the meaning of section 737.22.0.5 or a foreign farm worker within the meaning of section 737.22.0.12, would be deductible in computing the individual's taxable income for the year under any of sections 737.16.1, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7 and 737.22.0.13 if the taxable income were determined under Part I;"

(2) by inserting “, who is an eligible individual, within the meaning of section 737.22.0.9” after “737.18.29” in the portion of the second paragraph before subparagraph *a*;

(3) by adding the following subparagraph after subparagraph *c* of the second paragraph:

“(d) the portion of the particular amount that is included in the amount determined in respect of the individual for the year under section 737.22.0.10.”;

(4) by adding the following paragraph after the third paragraph:

“For the purposes of the first paragraph, if an individual is, in a taxation year, a certified forest producer under the Forest Act (chapter F-4.1) in respect of a private woodlot, or is a member of a partnership that is such a certified forest producer in respect of a private woodlot, the particular amount that is determined in respect of the individual for the year under the first paragraph is to be increased by the amount that would be included in computing the individual's taxable income for the year under section 726.35 and reduced by the amount that the individual could deduct in computing the individual's taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2006.

(3) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 2001.

(4) Paragraph 4 of subsection 1 applies to a taxation year that ends after 23 March 2006.

**217.** (1) Section 1091 of the Act is amended, in paragraph *c*,

(1) by inserting “726.33,” after “in sections”;

(2) by replacing “and 737.22.0.10” by “, 737.22.0.10 and 737.22.0.13”.

(2) Paragraph 1 of subsection 1 applies to a taxation year that ends after 23 March 2006.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2006.

**218.** (1) Section 1129.0.3 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**219.** (1) Section 1129.0.5 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**220.** (1) Section 1129.0.7 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**221.** (1) Section 1129.0.9 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**222.** (1) Section 1129.0.10.3 of the Act is amended by replacing “réfère le premier alinéa” in the portion of the second paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence” and by replacing “had been the same as the taxpayer’s share” in the portion of the second paragraph before subparagraph *a* by “and the partnership’s income or loss for that fiscal period had been the same as those”.

(2) Subsection 1, when it replaces “had been the same as the taxpayer’s share” in the portion of the second paragraph of section 1129.0.10.3 of the Act before subparagraph *a*, has effect from 22 April 2005.

**223.** (1) Section 1129.0.10.5 of the Act is amended by replacing “réfère le premier alinéa” in the portion of the second paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence” and by replacing “had been the same as the taxpayer’s share” in the portion of the second paragraph before subparagraph *a* by “and the partnership’s income or loss for that fiscal period had been the same as those”.

(2) Subsection 1, when it replaces “had been the same as the taxpayer’s share” in the portion of the second paragraph of section 1129.0.10.5 of the Act before subparagraph *a*, has effect from 22 April 2005.

**224.** (1) Section 1129.0.10.9 of the Act is amended by replacing “réfère le premier alinéa” in the portion of the second paragraph before subparagraph *a* in the French text by “le premier alinéa fait référence” and by replacing “had been the same as the taxpayer’s share” in the portion of the second paragraph before subparagraph *a* by “and the particular partnership’s income or loss for that fiscal period had been the same as those”.

(2) Subsection 1, when it replaces “had been the same as the taxpayer’s share” in the portion of the second paragraph of section 1129.0.10.9 of the Act before subparagraph *a*, has effect from 22 April 2005.

**225.** (1) Section 1129.0.13 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**226.** (1) Section 1129.0.17 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph 2 of subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**227.** (1) Section 1129.4.3.33 of the Act, enacted by section 209 of chapter 13 of the statutes of 2006, is amended by replacing subparagraph *a* of the third paragraph by the following subparagraph:

“(a) if Investissement Québec revokes, in a 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 deemed to be refunded to the corporation in the given taxation year; and”.

(2) Subsection 1 has effect from 1 January 2005.

**228.** (1) Section 1129.4.15 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**229.** (1) Section 1129.4.20 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**230.** (1) Section 1129.4.25 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**231.** (1) Section 1129.16 of the Act is amended

(1) by replacing “an accredited” in paragraph *b* of the definition of “eligible entity” by “a recognized”;

(2) by striking out the definition of “accredited museum”;

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

““recognized museum” has the meaning assigned by section 1.”

(2) Subsection 1 applies in respect of a property acquired in a taxation year that ends after 31 December 1999. However, when the definition of “recognized museum” in section 1129.16 of the Act applies in respect of a property acquired by a museum in its taxation year 2000, it has the meaning assigned by section 1 of the Act for that taxation year.

**232.** (1) Section 1129.17 of the Act is replaced by the following section:

**“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 Commission des biens culturels 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.”

(2) Subsection 1 applies in respect of a property acquired in a taxation year of an archival centre or a museum that ends after 31 December 1999. However, when section 1129.17 of the Act applies in respect of a property acquired by an archival centre or a museum before 24 March 2006, it reads without reference to “, a museum established under the Act respecting the Montréal Museum of Fine Arts (chapter M-42) or the National Museums Act (chapter M-44)”.

**233.** (1) Section 1129.20 of the Act is amended by replacing “an accredited” in paragraph *b* of the definition of “eligible entity” by “a recognized”.

(2) Subsection 1 applies in respect of a property acquired in a taxation year that ends after 31 December 1999. However, when paragraph *b* of the definition of “eligible entity” in section 1129.20 of the Act applies in respect of a property acquired by a museum in its taxation year 2000, “recognized museum” in that paragraph *b* has the meaning assigned by section 1 of the Act for that taxation year.

**234.** (1) The Act is amended by inserting the following after section 1129.23.4:

**“PART III.5.1.1**

**“SPECIAL TAX RELATING TO REGISTERED MUSEUMS**

**“1129.23.4.1.** In this Part,

“Minister” means the Minister of Revenue;

“registered museum” has the meaning assigned by section 1;

“taxation year” means a taxation year for the purposes of Chapter III.3.1 of Title I of Book VIII of Part I.

**“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.

**“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 statement under this Part in prescribed form for the year;

(b) estimate, in the statement, 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.

**“1129.23.4.4.** Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031 to 1079.16 apply to this Part, with the necessary modifications.

**“PART III.5.1.2**

**“SPECIAL TAX RELATING TO REGISTERED CULTURAL OR COMMUNICATIONS ORGANIZATIONS**

**“1129.23.4.5.** In this Part,

“Minister” means the Minister of Revenue;

“registered cultural or communications organization” has the meaning assigned by section 1;

“taxation year” means a taxation year for the purposes of Chapter III.3.2 of Title I of Book VIII of Part I.

**“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.

**“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 statement under this Part in prescribed form for the year;

(b) estimate, in the statement, 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.

**“1129.23.4.8.** Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1, when it enacts Part III.5.1 of the Act, applies to a taxation year that ends after 23 March 2006.

(3) Subsection 1, when it enacts Part III.5.2 of the Act, applies to a taxation year that ends after 29 June 2006.

**235.** (1) The heading of Part III.6.1 of the Act is replaced by the following heading:

“SPECIAL TAX RELATING TO SHARES ISSUED BY CAPITAL  
RÉGIONAL ET COOPÉRATIF DESJARDINS ON OR BEFORE  
28 FEBRUARY 2006”.

(2) Subsection 1 has effect from 1 March 2006.

**236.** (1) Section 1129.27.1 of the Act is amended

(1) by striking out paragraphs *f* to *j* of the definition of “cumulative limit amount”;

(2) by replacing “28 February 2011” in the definition of “liability period” by “28 February 2006”;



(3) by replacing paragraph *c* of the definition of “capitalization period” by the following paragraph:

“(c) the period that begins on 1 March 2003 and ends on 29 February 2004;”;

(4) by adding the following paragraphs after paragraph *c* of the definition of “capitalization period”:

“(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;”.

(2) Subsection 1 has effect from 1 March 2006.

**237.** (1) The Act is amended by inserting the following after section 1129.27.4:

**“PART III.6.1.1**

**“SPECIAL TAX RELATING TO SHARES ISSUED BY CAPITAL  
RÉGIONAL ET COOPÉRATIF DESJARDINS AFTER 23 MARCH 2006**

**“1129.27.4.1.** In this Part,

“capitalization period” means a period within the liability period that is

(a) the period that begins on 24 March 2006 and ends on 28 February 2007;

(b) the period that begins on 1 March 2007 and ends on 29 February 2008;

(c) the period that begins on 1 March 2008 and ends on 28 February 2009;

(d) the period that begins on 1 March 2009 and ends on 28 February 2010;  
or

(e) the period that begins on 1 March 2010 and ends on 28 February 2011;

“Corporation” means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

“cumulative limit amount” applicable in respect of a capitalization period means

(a) \$725,000,000, in respect of the capitalization period that begins on 24 March 2006 and ends on 28 February 2007;

(b) \$875,000,000, in respect of the capitalization period that begins on 1 March 2007 and ends on 29 February 2008;

(c) \$1,025,000,000, in respect of the capitalization period that begins on 1 March 2008 and ends on 28 February 2009;

(d) \$1,175,000,000, in respect of the capitalization period that begins on 1 March 2009 and ends on 28 February 2010; and

(e) \$1,325,000,000, in respect of the capitalization period that begins on 1 March 2010 and ends on 28 February 2011;

“liability period” means the period that begins on 24 March 2006 and ends on 28 February 2011;

“Minister” means the Minister of Revenue;

“paid-up capital” has the meaning assigned by section 1;

“share” means a share or fraction of a share of the capital stock of the Corporation.

**“1129.27.4.2.** The Corporation is required to pay, for a particular capitalization period, a tax under this Part equal to the amount determined by the formula

$$[35\% \times (A - B)] - C.$$

In the formula 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.

**“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 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.

**“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.”

(2) Subsection 1 has effect from 1 March 2006.

**238.** (1) Section 1129.27.6 of the Act is amended

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

“*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”;

(2) by adding the following paragraph after the second paragraph:

“The percentage to which subparagraph *i* of subparagraph *b* of the second paragraph refers is 35%, if the share referred to in the first paragraph was issued after 23 March 2006, and 50%, in any other case.”

(2) Subsection 1 has effect from 1 March 2006.

**239.** (1) Section 1129.44 of the Act, replaced by section 212 of chapter 13 of the statutes of 2006, is amended, in the second paragraph,

(1) by replacing “were the same as the corporation’s share” in the portion before subparagraph *a* and subparagraph *ii* of subparagraph *a* by “and the partnership’s income or loss for that preceding fiscal period were the same as those”;

(2) by replacing “were the same as the corporation’s share” in subparagraph *b* by “and the partnership’s income or loss for that fiscal period were the same as those”.

(2) Subsection 1 has effect from 22 April 2005.

**240.** (1) Section 1129.44.2 of the Act, enacted by section 213 of chapter 13 of the statutes of 2006, is amended by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions of the second paragraph:

— the portion before subparagraph *a*;

— subparagraph *ii* of subparagraph *a*;

— subparagraph *b*.

(2) Subsection 1 has effect from 22 April 2005.

**241.** (1) Section 1129.45.3.3 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

— the portion before subparagraph *a*;

— subparagraph ii of subparagraph *a*;

— subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**242.** (1) The heading of Part III.10.1.1.1 of the Act is replaced by the following heading:

“SPECIAL TAX RELATING TO THE CREDIT FOR THE  
CONSTRUCTION AND MAJOR REPAIR OF PUBLIC ACCESS ROADS  
AND BRIDGES IN FOREST AREAS”.

(2) Subsection 1 has effect from 24 March 2006.

**243.** (1) Section 1129.45.3.5.3 of the Act is amended by replacing “were the same as the corporation’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions of the second paragraph:

— the portion before subparagraph *a*;

— subparagraph ii of subparagraph *a*;

— subparagraph *b*.

(2) Subsection 1 has effect from 22 April 2005.

**244.** (1) Section 1129.45.3.5.9 of the Act is amended by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions of the second paragraph:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Subsection 1 has effect from 22 April 2005.

**245.** (1) The Act is amended by inserting the following after section 1129.45.3.35:

**“PART III.10.1.9**

**“SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF ETHANOL IN QUÉBEC**

**“1129.45.3.36.** In this Part,

“eligible production of ethanol” has the meaning assigned by section 1029.8.36.0.94;

“Minister” means the Minister of Revenue;

“taxation year” has the meaning assigned by Part I.

**“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 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 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 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 the particular taxation year 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.

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 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 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 the particular taxation year.

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.

**“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.

**“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.”

(2) Subsection 1 has effect from 1 April 2006.

**246.** (1) Section 1129.45.19 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**247.** (1) Section 1129.45.24 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**248.** (1) Section 1129.45.29 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the taxpayer’s share” by “and the partnership’s income or loss for that fiscal period were the same as those” in the following provisions:

- the portion before subparagraph *a*;
- subparagraph ii of subparagraph *a*;
- subparagraph *b*.

(2) Paragraph 2 of subsection 1 has effect from 22 April 2005.

**249.** (1) Section 1129.45.44 of the Act is amended, in the second paragraph,

(1) by replacing “réfère le premier alinéa” in the portion before subparagraph *a* in the French text by “le premier alinéa fait référence”;

(2) by replacing “were the same as the corporation’s share” in the portion before subparagraph *a* and subparagraph ii of subparagraph *a* by “and the

partnership's income or loss for that preceding fiscal period were the same as those”;

(3) by replacing “were the same as the corporation's share” in subparagraph *b* by “and the partnership's income or loss for that fiscal period were the same as those”.

(2) Paragraphs 2 and 3 of subsection 1 have effect from 22 April 2005.

**250.** (1) The Act is amended by inserting the following section after section 1129.45.44:

**“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.”

(2) Subsection 1 has effect from 13 June 2003.

**251.** (1) Section 1135.1 of the Act is amended by replacing the first paragraph by the following paragraph:

**“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 property described in section 1135.3 or 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 property described in section 1135.3 or 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 corporation's filing-due date for that particular year; 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 corporation's filing-due date for that particular year."

(2) Subsection 1 applies in respect of costs incurred to acquire property after 23 March 2006.

(3) In addition, when the first paragraph of section 1135.1 of the Act applies in respect of costs incurred to acquire property before 24 March 2006, it reads as if subparagraphs *a* and *b* were replaced by the following subparagraphs:

"(a) 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, 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

"(b) 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, 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 corporation's filing-due date for that particular year."

**252.** (1) Section 1135.2 of the Act is amended

(1) by replacing "section 1135.8" in the first paragraph by "section 1135.8 or 1135.8.1";

(2) by replacing "in accordance with subparagraph *a* or *b* of the first paragraph of section 1135.1" in subparagraph *a* of the second paragraph by "in accordance with subparagraph i or ii of subparagraphs *a* and *b* of the first paragraph of section 1135.1";

(3) by replacing "in accordance with subparagraph *b* of the first paragraph of section 1135.1" in subparagraph *b* of the second paragraph by "in accordance with subparagraph ii of subparagraph *a* or *b* of the first paragraph of section 1135.1".

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**253.** (1) Section 1135.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

**"1135.3.** The property to which the first paragraph of section 1135.1 refers is a property described in Class 43 of Schedule B to the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1), other than a property described in section 1135.3.1, that".

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**254.** (1) The Act is amended by inserting the following section after section 1135.3:

**"1135.3.1.** The property to which the first paragraph of section 1135.1 and section 1135.3 refer is a property described in Class 43 of Schedule B to the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1) that

(a) is acquired after 23 March 2006 and before 1 January 2010, but is not a property acquired pursuant to an obligation in writing entered into before 24 March 2006 or the construction of which, where applicable, by or on behalf of the purchaser, had begun before 23 March 2006;

- (b) begins to be used within a reasonable time after being acquired;
- (c) is used solely in Québec in the course of carrying on a business and mainly in
  - i. 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,
  - ii. 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
  - iii. 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

(d) was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**255.** (1) Section 1135.4 of the Act is amended by replacing the portion before subparagraph i of paragraph *b* by the following:

**“1135.4.** If, in respect of costs incurred by a particular corporation or a particular partnership to acquire a property described in section 1135.3 or 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 subparagraph *a* or *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;

(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 subparagraph *a* or *b* of that first paragraph, in respect of the particular corporation for the particular year, in relation to those costs, is to be reduced”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**256.** (1) Section 1135.6 of the Act is amended

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

“**1135.6.** If a corporation pays, at a particular time of a taxation year and before 1 January 2009, 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 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of the corporation, under that subparagraph i or ii of subparagraph *a* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, 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, or in respect of which the corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, the following rules apply:”;

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

“(a) reduced the amount determined in accordance with subparagraph i or ii of subparagraph *a* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, for the purpose of determining the amount that the corporation could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the corporation has paid tax under Part VI.1.1;”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

(3) In addition, when section 1135.6 of the Act applies in respect of the acquisition of a property before 24 March 2006,

(1) the portion of the first paragraph of that section before subparagraph *a* reads as follows:

**“1135.6.** If a corporation pays, at a particular time of a taxation year and before 1 January 2009, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph *a* or *b* of the first paragraph of section 1135.1 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of the corporation, under that subparagraph *a* or *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, 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, or in respect of which the corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, the following rules apply:”;

(2) subparagraph *a* of the second paragraph of that section reads as follows:

“(a) reduced the amount determined in accordance with subparagraph *a* or *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, for the purpose of determining the amount that the corporation could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the corporation has paid tax under Part VI.1.1;”.

**257.** (1) The Act is amended by inserting the following section after section 1135.6:

**“1135.6.1.** If a corporation pays, at a particular time of a taxation year and before 1 January 2011, 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 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of the corporation, under that subparagraph i or ii of subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, 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, or in respect of which the corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, 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.

For the purposes of the first paragraph, an amount of assistance, a benefit or an advantage is deemed to be repaid, at a particular time, by a corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount determined in accordance with subparagraph i or ii of subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *a* of section 1135.4, as the case may be, for the purpose of determining the amount that the corporation could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the corporation has paid tax under Part VI.1.1;

(b) was not received by the corporation; and

(c) ceased at the particular time to be an amount that the corporation may reasonably expect to receive.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**258.** (1) Section 1135.7 of the Act is amended

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

**“1135.7.** If a partnership pays, at a particular time of a particular fiscal period and before 1 January 2009, 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 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of a particular corporation that is a member of the partnership, under that subparagraph ii of subparagraph *a* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that the particular corporation could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year of the corporation in which ends a fiscal period of the partnership that precedes the particular fiscal period, or in respect of which the particular corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, the following rules apply:”;

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



“(a) reduced the amount determined in accordance with subparagraph ii of subparagraph *a* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that a particular corporation that is a member of the partnership could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the particular corporation has paid tax under Part VI.1.1;”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

(3) In addition, when section 1135.7 of the Act applies in respect of the acquisition of a property before 24 March 2006,

(1) the portion of the first paragraph of that section before subparagraph *a* reads as follows:

**“1135.7.** If a partnership pays, at a particular time of a particular fiscal period and before 1 January 2009, pursuant to a legal obligation, a particular amount, in relation to costs incurred to acquire a property, that may reasonably be considered to be a repayment of an amount of assistance referred to in subparagraph *b* of the first paragraph of section 1135.1 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of a particular corporation that is a member of the partnership, under that subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that the particular corporation could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year of the corporation in which ends a fiscal period of the partnership that precedes the particular fiscal period, or in respect of which the particular corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, the following rules apply:”;

(2) subparagraph *a* of the second paragraph of that section reads as follows:

“(a) reduced the amount determined in accordance with subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that a particular corporation that is a member of the partnership could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the particular corporation has paid tax under Part VI.1.1;”.

**259.** (1) The Act is amended by inserting the following section after section 1135.7:

**“1135.7.1.** If a partnership pays, at a particular time of a particular fiscal period and before 1 January 2011, 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 or in the second paragraph of section 1135.2 or of a benefit or advantage referred to in section 1135.4 that reduced the amount determined, in respect of a particular corporation that is a member of the partnership, under that subparagraph ii of subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that the particular corporation could deduct, in respect of those costs, in computing its tax otherwise payable under this Part for a taxation year of the corporation in which ends a fiscal period of the partnership that precedes the particular fiscal period, or in respect of which the particular corporation has paid tax under Part VI.1.1 in relation to a preceding taxation year, 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.

For the purposes of the first paragraph, an amount of assistance, a benefit or an advantage is deemed to be repaid, at a particular time, by a partnership, pursuant to a legal obligation, where that amount

(a) reduced the amount determined in accordance with subparagraph ii of subparagraph *b* of the first paragraph of section 1135.1, the first paragraph of section 1135.2 or paragraph *b* of section 1135.4, as the case may be, for the purpose of determining the amount that a particular corporation that is a member of the partnership could deduct, in respect of the costs, in computing its tax otherwise payable for a taxation year under this Part, or is an amount in respect of which the particular corporation has paid tax under Part VI.1.1;

(b) was not received by the partnership; and

(c) ceased at the particular time to be an amount that the partnership may reasonably expect to receive.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**260.** (1) Section 1135.8 of the Act is replaced by the following section:

**“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, 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 130R71 of the Regulation respecting the Taxation Act (R.R.Q., 1981, 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 130R71 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.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 21 April 2005.

**261.** (1) The Act is amended by inserting the following section after section 1135.8:

**“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 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 130R71 of the Regulation respecting the Taxation Act (R.R.Q., 1981, 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 paragraph *c* 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 130R71 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.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**262.** (1) Section 1135.9 of the Act is amended by replacing “section 1135.8” and “section 1135.3” in the second paragraph by “section 1135.8 or 1135.8.1” and “section 1135.3 or 1135.3.1”, respectively.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**263.** (1) Section 1135.9.1 of the Act, enacted by section 214 of chapter 13 of the statutes of 2006, is amended by replacing “1135.8” by “1135.8.1”.

(2) Subsection 1 has effect from 24 March 2006.

**264.** (1) Section 1175.19.1 of the Act is amended by adding the following definition in alphabetical order:

““Minister” means the Minister of Revenue;”.

(2) Subsection 1 has effect from 22 April 2005.

**265.** (1) Section 1175.19.2 of the Act, amended by section 225 of chapter 13 of the statutes of 2006, is again amended

(1) by replacing “amount determined under subparagraph *a* or *b* of the first paragraph of section 1135.1 or under the second paragraph of section 1135.2” by “amount determined under subparagraph i or ii of subparagraph *a* of the first paragraph of section 1135.1 or under the first paragraph of section 1135.2” in the following provisions:

— subparagraph i of subparagraph *b* of the first paragraph;

— subparagraph *b* of the second paragraph;

(2) by replacing “amount determined under subparagraph *b* of the first paragraph of section 1135.1 or under the second paragraph of section 1135.2” in subparagraph ii of subparagraph *b* of the first paragraph by “amount determined under subparagraph ii of subparagraph *a* of the first paragraph of section 1135.1 or under the first paragraph of section 1135.2”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 23 March 2006.

**266.** (1) The Act is amended by inserting the following sections after section 1175.19.2:

**“1175.19.2.1.** Any corporation that, in relation to costs incurred in respect of property described in section 1135.3.1, has deducted for any taxation

year, under section 1135.1 or 1135.2, an amount in computing its tax otherwise payable under Part IV for the year, shall pay, for a particular taxation year, tax equal to

(a) the amount by which the aggregate of all amounts each of which is an amount deducted by the corporation under section 1135.1 or 1135.2, in computing its tax payable under Part IV, in respect of the costs, for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is, in respect of the corporation, an amount determined under subparagraph *b*, in relation to the costs, for a taxation year preceding the particular year, 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 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 130R71 of the Regulation respecting the Taxation Act (R.R.Q., 1981, 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 is the owner of the property at the end of 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 in connection with the activities, described in paragraph *c* of section 1135.3.1, of 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 130R71 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) if subparagraph *a* does not apply in the particular year or a preceding taxation year in relation to the costs, to 15% of the aggregate of

i. if in the particular year 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, an amount of government assistance or non-government assistance, attributable to such costs, other than such an amount of assistance that reduced the amount determined under subparagraph i or ii of subparagraph *b* of the first paragraph of section 1135.1 or under the first paragraph of section 1135.2, in respect of the corporation for the purpose of determining the amount that the corporation was entitled to deduct, in respect of the costs, in computing its tax payable under Part IV for a taxation year preceding the particular year, the lesser of the amount of that assistance and the amount by which the portion of the costs in respect of which the corporation has deducted an amount under section 1135.1 or 1135.2 in computing its tax payable under Part IV for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is an amount determined,

in respect of the costs, under this subparagraph for a taxation year preceding the particular taxation year, in relation to the corporation,

ii. if a partnership of which the corporation is a member at the end of a fiscal period of the partnership that ends in the particular taxation year, 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 fiscal period, an amount of government assistance or non-government assistance, attributable to such costs, other than such an amount of assistance that reduced the amount determined under subparagraph ii of subparagraph *b* of the first paragraph of section 1135.1 or under the first paragraph of section 1135.2, in respect of the partnership for the purpose of determining the amount that the corporation was entitled to deduct, in respect of the costs, in computing its tax payable under Part IV for a taxation year preceding the particular year, the lesser of the corporation's share of the amount of that assistance and the amount by which the portion of the costs in respect of which the corporation has deducted an amount under section 1135.1 or 1135.2 in computing its tax payable under Part IV for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is an amount determined, in respect of the costs, under this subparagraph for a taxation year preceding the particular taxation year, in relation to the corporation, and

iii. if in the particular year a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the corporation's filing-due date for that particular year, a benefit or advantage attributable to such costs, except a benefit or advantage referred to in the second paragraph, 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 lesser of, if the costs were incurred by the corporation, the amount of that benefit or advantage or, if the costs were incurred by a partnership of which the corporation is a member at the end of the fiscal period of the partnership that ends in the particular taxation year, the corporation's share of the amount of that benefit or advantage and the amount by which the portion of the costs in respect of which the corporation has deducted an amount, under section 1135.1 or 1135.2, in computing its tax payable under Part IV, for a taxation year preceding the particular year exceeds the aggregate of all amounts each of which is an amount determined, in respect of the costs, under this subparagraph for a taxation year preceding the particular taxation year, in relation to the corporation.

A benefit or advantage to which subparagraph iii of subparagraph *b* of the first paragraph refers means a benefit or advantage

(a) that may reasonably be attributed to the acquisition of the property; or

(b) that reduced, in accordance with section 1135.4, the amount determined under subparagraph i or ii of subparagraph *b* of the first paragraph of section 1135.1 or under the first paragraph of section 1135.2, in respect of the

corporation or of the partnership for the purpose of determining the amount that the corporation was entitled to deduct, in respect of the costs, in computing its tax payable under this Part for a taxation year preceding the particular year.

For the purposes of subparagraphs ii and iii of subparagraph *b* of the first paragraph, the share of a corporation that is a member of a partnership, for a fiscal period of that partnership, of an amount is equal to the proportion of that amount that the corporation's share of the income or loss of the partnership for that fiscal period 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.

**“1175.19.2.2.** 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, to be a tax paid by the corporation under Part IV for that taxation year.”

(2) Subsection 1, when it enacts section 1175.19.2.1 of the Act, applies in respect of expenses incurred to acquire a property after 23 March 2006.

(3) Subsection 1, when it enacts section 1175.19.2.2 of the Act, has effect from 22 April 2005.

**267.** (1) The Act is amended by inserting the following section after section 1175.21.1:

**“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.”

(2) Subsection 1 has effect from 22 April 2005.

**268.** (1) Section 1175.26 of the Act is amended

(1) by striking out “or another amount” in the portion of the first paragraph before subparagraph *a*;

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

“(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”;

(3) by striking out “or amounts” wherever it appears in subparagraph *c* of the first paragraph;

(4) by adding the following paragraphs after the second paragraph:

“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.

“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."

(2) Paragraphs 2 and 4 of subsection 1 have effect from 22 April 2005.

**269.** Section 1175.27 of the Act is amended by striking out "or another amount" in the first paragraph and by striking out "or amounts" wherever it appears in that paragraph.

**270.** (1) The Act is amended by inserting the following section after section 1175.27:

**"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 Act respecting the Ministère du Revenu (chapter M-31) 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.”

(2) Subsection 1 has effect from 22 April 2005.

**271.** (1) The Act is amended by inserting the following after section 1175.28:

**“PART VI.3.1**

**“SPECIAL TAX RELATING TO THE REVOCATION OR  
REPLACEMENT OF CERTIFICATES OR SIMILAR DOCUMENTS**

**“1175.28.1.** In this Part, unless the context indicates otherwise,

“fiscal period” has the meaning assigned by Part I;

“Minister” means the Minister of Revenue;

“person” has the meaning assigned by Part I;

“taxation year” has the meaning assigned by Part I.

**“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.

**“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.

**“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.

**“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.

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.

**“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.

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.

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.

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.

**“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.

**“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.

**“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.

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.

The rule to which the second paragraph refers is the rule whereby it shall be considered that the person's share of the income or loss of the partnership 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, and the partnership's income or loss for that fiscal period are the same as those for the fiscal period of the modification.

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.

**“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.

The rule to which the first paragraph refers is the rule whereby it shall be considered that the person's share of the income or loss of the partnership 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, and the partnership's income or loss for that fiscal period are the same as those determined for the partnership's fiscal period that ends in the subsequent taxation year referred to in the first paragraph.

**“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.

**“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.

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.

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.

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.

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.

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.

**“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 Part VI.2 or 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.

**“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 section 1029.8.36.167, to be a tax that the person pays under Part I for that taxation year;

(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) the portion of that tax that is determined under subparagraph *d* of the third paragraph of that section is deemed, for the purposes of section 752.0.0.1, to be an amount that the person pays for that taxation year as a contribution under section 34.1.6 of the Act respecting the Régie de l’assurance maladie du Québec.

**“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.

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.

For the purposes of the second paragraph, a person's share of an amount is equal to the proportion of that amount that the person's share of the income or loss of the partnership for the particular fiscal period 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.

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.

**“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.

**“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).

**“1175.28.18.** 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.”

(2) Subsection 1 applies in respect of a favourable advance ruling or of a certificate, qualification certificate or another similar document that is, or is deemed to be, revoked or replaced after 21 April 2005.

**272.** Section 1175.42 of the Act is amended by replacing “Unless otherwise provided” by “Except where inconsistent with this Part”.

#### ACT RESPECTING THE MINISTÈRE DU REVENU

**273.** (1) Section 34 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) is amended by inserting the following subsection after subsection 2:

“(2.1) The first and second paragraphs of subsection 2 also apply to any educational institution to which is made a gift described in paragraph *e* of section 710 of the Taxation Act or in the definition of “total musical instrument gifts” in the first paragraph of section 752.0.10.1 of that Act.”

(2) Subsection 1 applies in respect of a gift made after 23 March 2006.

**274.** (1) Section 61.0.0.2 of the Act is amended by inserting “, for a taxation year preceding the taxation year 2007,” after “Taxation Act (chapter I-3)”.

(2) Subsection 1 applies from 1 January 2007.

**275.** (1) Section 96 of the Act is amended by striking out “or person of Indian descent” in subparagraph *e* of the first paragraph.

(2) Subsection 1 has effect from 1 January 2007.

#### ACT RESPECTING THE MINISTÈRE DU TOURISME

**276.** (1) Section 21 of the Act respecting the Ministère du Tourisme (R.S.Q., chapter M-31.2) is amended by replacing “specific accommodation tax” in paragraph 5 by “tax on lodging”.

(2) Subsection 1 has effect from 13 December 2005.

**277.** (1) Section 25 of the Act is amended by replacing “specific accommodation tax” in the first paragraph by “tax on lodging”.

(2) Subsection 1 has effect from 13 December 2005.

#### ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

**278.** Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5) is amended by inserting the following definition in alphabetical order in the first paragraph:

““business” means a business within the meaning of section 1 of the Taxation Act;”.

**279.** Section 34.1.5 of the Act is amended by striking out “, within the meaning of the said section 1,” in paragraph *a*.

**280.** Section 34.1.6 of the Act is amended by striking out “, within the meaning of section 1 of the Taxation Act (chapter I-3),” in the fifth paragraph.

**281.** (1) Section 37.4 of the Act, amended by section 235 of chapter 13 of the statutes of 2006, is again amended, in subparagraph *a* of the first paragraph,

(1) by replacing subparagraphs i to iv by the following subparagraphs:

“i. \$13,020 where, for the year, the individual has no eligible spouse and no dependent child,

“ii. \$21,100 where, for the year, the individual has no eligible spouse but has one dependent child,

“iii. \$23,975 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“iv. \$21,100 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

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

“(1) \$23,975 where the individual has one dependent child for the year, or

“(2) \$26,625 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2006.

**282.** (1) Section 37.7 of the Act, amended by section 167 of chapter 15 of the statutes of 2005, is again amended by replacing “on the basis of current or former employment status, profession or habitual occupation” in paragraph *a* by “in accordance with section 15.1 of that Act”.

(2) Subsection 1 has effect from 30 August 2006.

#### ACT RESPECTING THE QUÉBEC PENSION PLAN

**283.** (1) Section 1.1 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) is amended by replacing “section 4, 5 or 6” by “sections 4, 5, 6 and 81”.

(2) Subsection 1 applies from the year 2006.

**284.** (1) Section 3 of the Act is amended by replacing paragraph *j* by the following paragraph:

“(j) except in the circumstances prescribed by a regulation under paragraph *k* of section 81, employment of a worker who is an Indian within the meaning of the Indian Act (Revised Statutes of Canada, 1985, chapter I-5), where the worker may deduct, in computing the worker’s taxable income under paragraph *e* of section 725 of the Taxation Act (chapter I-3), an amount in respect of the remuneration paid to the worker in relation to that employment.”

(2) Subsection 1 applies from the year 2006. However, when paragraph *j* of section 3 of the Act applies to the year 2006, it reads as follows:

“(j) except in the circumstances prescribed by a regulation under paragraph *k* of section 81, employment of a worker who is an Indian or person of Indian ancestry, within the meaning assigned to those expressions by section 725.0.1 of the Taxation Act (chapter I-3), where the worker may deduct, in computing the worker’s taxable income under paragraph *e* of section 725 of that Act, an amount in respect of the remuneration paid to the worker in relation to that employment.”

**285.** (1) The Act is amended by inserting the following section after section 47:

“**47.1.** The amount that is the self-employed earnings determined for a year under section 47, in respect of a worker who is an Indian, within the meaning of the Indian Act (Revised Statutes of Canada, 1985, chapter I-5), is to be reduced by the amount that the worker may deduct in computing the worker’s taxable income under paragraph *e* of section 725 of the Taxation Act (chapter I-3), in relation to the earnings.”

(2) Subsection 1 applies from the year 2006. However, when section 47.1 of the Act applies to the year 2006, it reads as follows:

“**47.1.** The amount that is the self-employed earnings determined for a year under section 47, in respect of a worker who is an Indian or person of Indian ancestry, within the meaning assigned to those expressions by section 725.0.1 of the Taxation Act (chapter I-3), is to be reduced by the amount that the worker may deduct in computing the worker’s taxable income under paragraph *e* of section 725 of that Act, in relation to the earnings.”

**286.** (1) Section 50.0.1 of the Act is repealed.

(2) Subsection 1 has effect from 1 January 2004.

**287.** (1) Section 55 of the Act is amended

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

“**55.** An employee may make a contribution for a year, computed under section 53, on any amount equal to the amount by which the amount described in the second paragraph exceeds the total of the amount, computed under section 56, of the employee’s salary and wages on which a contribution has been made for the year and the amount determined in prescribed manner to be the employee’s salary and wages on which a contribution has been made for the year by the employee under a similar plan.”;

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

“The amount to which the first paragraph refers is the lesser of

(a) the employee’s pensionable salary and wages and, where applicable, the prescribed amount, less the employee’s personal exemption; and

(b) the employee’s maximum contributory earnings.”;

(3) by replacing “payée” by “versée” and by striking out “être” in the second paragraph in the French text.

(2) Paragraphs 1 and 2 of subsection 1 apply from the year 2006.

**288.** (1) Section 81 of the Act is amended by adding the following paragraph after paragraph *j*:

“(k) determining, in respect of a worker who is an Indian, within the meaning of the Indian Act (Revised Statutes of Canada, 1985, chapter I-5), in what circumstances the worker’s employment that is excepted employment solely because of paragraph *j* of section 3, is not considered to be excepted employment, and in what circumstances section 47.1 does not apply in respect of the worker.”

(2) Subsection 1 applies from the year 2006.

#### ACT RESPECTING THE QUÉBEC SALES TAX

**289.** (1) The Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) is amended by inserting the following after section 382.7:

“§4.2. — *Prescribed new hybrid vehicle*

**“382.8.** For the purposes of this subdivision,

“hybrid vehicle” means an automobile vehicle powered by the combination of a heat engine and an electric motor;

“long-term lease” of a vehicle means the lease under an agreement under which continuous possession or use of the vehicle is provided to a recipient for a period of at least one year.

**“382.9.** Subject to section 382.10, a recipient is entitled to a rebate of the tax paid by the recipient in relation to the supply by way of sale or by way of long-term lease, or to the bringing into Québec, of a prescribed new hybrid vehicle if

(1) the recipient has paid all tax payable in respect of the supply by way of sale or of the bringing into Québec of the vehicle;

(2) the recipient is not a registrant;

(3) the recipient is not entitled to a rebate in respect of that tax under any other section of this Act;

(4) the recipient files an application for a rebate, accompanied by the prescribed vouchers, within the time limit provided for in section 382.11; and

(5) the recipient fulfills the prescribed terms and conditions.

For the purposes of the first paragraph, only a hybrid vehicle in respect of which it is established that the fuel consumption on the highway or in the city is 6 litres or less per 100 kilometres may be prescribed.

**“382.10.** The rebate to which a recipient is entitled under section 382.9 may not exceed \$1,000 for a given vehicle.

**“382.11.** A recipient is entitled to the rebate provided for in section 382.9 in respect of the supply or of the bringing into Québec of a prescribed new hybrid vehicle only if the recipient files an application for a rebate,

(1) in the case of a supply by way of sale or of the bringing of the vehicle into Québec, within four years following the day on which the tax became payable; and

(2) in the case of a supply by way of long-term lease, within four years following the day on which the agreement for the supply of the vehicle by way of lease expires and from the earlier of

(a) the day on which the total of the tax that became payable for each of the supplies that, because of section 32.2, are deemed to be made in relation to the vehicle is equal to or greater than \$1,000, and

(b) the day following the day on which the agreement for the supply of the vehicle by way of lease expires.”

(2) Subsection 1 applies in respect of a supply made or of the bringing of a vehicle into Québec that occurs after 23 March 2006 and before 1 January 2009.

**290.** Section 541.23 of the Act is amended by replacing the definition of “accommodation unit” by the following definition:

““accommodation unit” includes a room, a bed, an apartment, a house or a cottage;”.

**291.** (1) Section 541.24 of the Act is amended

(1) by replacing “supply” in subparagraph *a* of subparagraph 2 of the first paragraph and after “consideration for the” by “overnight stay”;

(2) by replacing “supply” in the second paragraph and after “consideration for the” by “overnight stay”;

(3) by replacing “supply” in the third paragraph by “overnight stay”.

(2) Subsection 1 has effect from 1 July 2005.

**292.** (1) Section 541.32 of the Act is replaced by the following section:

**“541.32.** Every person required to collect the tax or the amount equal to the tax shall indicate the amount of the tax on the invoice, receipt, writing or other document recording the amount paid or payable for an accommodation unit.

However, where subparagraph *a* of subparagraph 2 of the first paragraph of section 541.24 applies, the person shall indicate the amount of the tax separately and specify that the amount is the 3% tax on lodging if

(1) an accommodation unit is supplied with another property or service; and

(2) the amount paid or payable recorded on the invoice, receipt, writing or other document is not solely attributable to the supply of the accommodation unit.”

(2) Subsection 1 has effect from 1 July 2005.

**293.** (1) Section 677 of the Act, amended by section 112 of chapter 31 of the statutes of 2006, is again amended, in the first paragraph,

(1) by inserting the following subparagraph after subparagraph 38.1:

“(38.2) determine, for the purposes of section 382.9, the prescribed hybrid vehicles and the prescribed vouchers, terms and conditions;”;

(2) by striking out subparagraph 55.1.1.

(2) Paragraph 1 of subsection 1 applies in respect of a supply by way of sale or long-term lease of a prescribed new hybrid vehicle or of the bringing of such a vehicle into Québec that occurs after 23 March 2006 and before 1 January 2009.

(3) Paragraph 2 of subsection 1 has effect from 1 July 2005.

#### FUEL TAX ACT

**294.** (1) Section 1 of the Fuel Tax Act (R.S.Q., chapter T-1) is amended, in the first paragraph,



(1) by inserting the following subparagraph after subparagraph *a.1*:

“(a.2) “biodiesel fuel”: any oxygenated ester- or ether-based fuel derived from vegetable oils or animal fats;”;

(2) by inserting the following subparagraph after subparagraph *n*:

“(n.1) “person”: any individual, corporation, partnership, association of persons, succession, sequestrator, trustee in bankruptcy, liquidator, fiduciary trustee, administrator or agent;”.

(2) Paragraph 1 of subsection 1 has effect in respect of biodiesel fuel acquired after 23 March 2006.

**295.** (1) Section 10 of the Act, amended by section 16 of chapter 7 of the statutes of 2006, is again amended

(1) by striking out “ou” at the end of subparagraph viii of paragraph *a* and after “;” in the French text;

(2) by striking out “and” at the end of subparagraph ix of paragraph *a*;

(3) by striking out “or” at the end of subparagraph iii of paragraph *b* and after “;”;

(4) by adding the following subparagraph after subparagraph iv of paragraph *b*:

“v. in the case of biodiesel fuel, was not mixed with another type of fuel at the time of its acquisition; and”.

(2) Subsection 1 has effect in respect of biodiesel fuel acquired after 23 March 2006.

**296.** (1) Section 10.1 of the Act is replaced by the following section:

**“10.1.** A public carrier that meets the requirements prescribed by regulation is entitled, provided it applies therefor on a form prescribed by the Minister, to the reimbursement of the tax paid by the public carrier in the year on the fuel that was used to supply the engine of each bus while it was assigned to providing public transport as defined by regulation.

For the purposes of this section, “public carrier” means a public body providing public transport, a municipality, an intermunicipal management board, an intermunicipal board of transport, any holder of a public transport permit issued under the Transport Act (chapter T-12) and any carrier which is a party to a contract entered into under section 3 of the Act respecting intermunicipal boards of transport in the area of Montréal (chapter C-60.1) or section 48.18 of the Transport Act.”

(2) Subsection 1 has effect in respect of fuel acquired after 23 March 2006.

**297.** (1) Section 10.2 of the Act is replaced by the following section:

**“10.2.** Indians, Bands, tribal councils, or entities mandated by a Band are entitled, provided they apply therefor on the form prescribed by the Minister within the time, on the conditions and according to the modalities prescribed by regulation, to the reimbursement of the tax they paid on the fuel purchased for their own consumption from a fuel retail outlet operated on a reserve by a retail dealer holding a registration certificate provided for in section 23.

However, in the case of entities mandated by a Band, the fuel must be intended for Band management activities.

For the purposes of this section, the Government may make regulations to define the expressions “Band management activities”, “Bands”, “entities mandated by a Band”, “Indians”, “tribal councils” and “reserve”.”

(2) Subsection 1 has effect in respect of fuel acquired after 23 March 2006.

**298.** (1) Section 27.3 of the Act is amended by inserting “17.4.1,” after “sections”.

(2) Subsection 1 has effect from 8 June 2006.

ACT GIVING EFFECT TO THE BUDGET SPEECH DELIVERED ON  
1 NOVEMBER 2001, TO THE SUPPLEMENTARY STATEMENT OF  
19 MARCH 2002 AND TO CERTAIN OTHER BUDGET STATEMENTS

**299.** (1) Section 65 of the Act giving effect to the Budget Speech delivered on 1 November 2001, to the supplementary statement of 19 March 2002 and to certain other budget statements (2003, chapter 9) is amended by replacing subsection 2 by the following subsection:

“(2) Subsection 1 applies from the taxation year 2001. However, when section 737.22.0.9 of the Act applies before the taxation year 2003, it reads as if the following paragraph was added:

“For the purpose of determining whether an individual is, for a taxation year, an eligible individual within the meaning of the first paragraph, section 8 is to be read without reference to its paragraph *a*.””

(2) Subsection 1 has effect from 10 December 2003.

ACT GIVING EFFECT TO THE BUDGET SPEECH DELIVERED ON  
30 MARCH 2004 TO INTRODUCE FAMILY SUPPORT MEASURES  
AND GIVING EFFECT TO CERTAIN OTHER BUDGET STATEMENTS

**300.** (1) Section 186 of the Act giving effect to the Budget Speech delivered on 30 March 2004 to introduce family support measures and giving effect to certain other budget statements (2005, chapter 1) is amended by replacing subsection 3 by the following subsection:

“(3) In addition, where subparagraph 5 of subparagraph i of subparagraph c of the first paragraph of section 776.29 of the Act applies to the taxation year 1997, the reference therein to “except any indemnity received under Chapter V of Title II of the Automobile Insurance Act (chapter A-25)” shall be struck out.”

(2) Subsection 1 has effect from 17 March 2005.

BUDGET ACT NO. 2 GIVING EFFECT TO THE BUDGET SPEECH  
DELIVERED ON 30 MARCH 2004 AND TO CERTAIN OTHER BUDGET  
STATEMENTS

**301.** (1) Section 199 of the Budget Act No. 2 giving effect to the Budget Speech delivered on 30 March 2004 and to certain other budget statements (2005, chapter 23) is amended by striking out paragraph 10 of subsection 1 and subsection 3.

(2) Subsection 1 has effect from 17 June 2005.

BUDGET ACT GIVING EFFECT TO THE BUDGET SPEECH  
DELIVERED ON 21 APRIL 2005 AND TO CERTAIN OTHER BUDGET  
STATEMENTS

**302.** (1) Section 3 of the Budget Act giving effect to the Budget Speech delivered on 21 April 2005 and to certain other budget statements (2005, chapter 38) is amended by replacing subsection 6 by the following subsection:

“(6) Paragraph 3 of subsection 1, when it enacts subparagraph 7 of the fifth paragraph of section 19 of the Act, paragraph 4 of subsection 1, when it enacts the thirteenth paragraph of that section, and paragraphs 5 and 6 of subsection 1 have effect from 22 March 2005. However, when the ninth paragraph of section 19 of the Act, as amended by paragraph 5 of subsection 1, and the fifteenth paragraph of that section, enacted by paragraph 6 of subsection 1, apply before 22 April 2005, they read as if “subparagraphs 6 and 7 of the fifth paragraph” was replaced by “subparagraph 7 of the fifth paragraph”.”

(2) Subsection 1 has effect from 13 December 2005.

**303.** (1) Section 30 of the Act is amended by replacing subsection 7 by the following subsection:

“(7) Paragraph 4 of subsection 1, when it enacts subparagraph 8 of the fifth paragraph of section 19 of the Act, and paragraphs 9 and 10 of subsection 1 have effect from 22 March 2005. However, when the tenth paragraph of section 19 of the Act, as amended by paragraph 9 of subsection 1, and the fourteenth paragraph of that section, enacted by paragraph 10 of subsection 1, apply before 22 April 2005, they read as if “subparagraphs 7 and 8 of the fifth paragraph” was replaced by “subparagraph 8 of the fifth paragraph”.”

(2) Subsection 1 has effect from 13 December 2005.

**304.** (1) Section 35 of the Act is amended by replacing subsection 5 by the following subsection:

“(5) Paragraph 4 of subsection 1, when it enacts subparagraph 8 of the fifth paragraph of section 15 of the Act, and paragraphs 8 and 9 of subsection 1 have effect from 22 March 2005. However, when the ninth paragraph of section 15 of the Act, as amended by paragraph 8 of subsection 1, and the fourteenth paragraph of that section, enacted by paragraph 9 of subsection 1, apply before 22 April 2005, they read as if “subparagraphs 7 and 8 of the fifth paragraph” was replaced by “subparagraph 8 of the fifth paragraph”.”

(2) Subsection 1 has effect from 13 December 2005.

**305.** (1) Section 278 of the Act is amended by replacing subsection 2 by the following subsection:

“(2) Subsection 1 applies from the taxation year 2006. In addition,

(1) when subparagraph iv of paragraph *b* of section 1029.8.55 of the Act applies to the taxation year 2005, it reads as follows:

“iv. throughout the particular period, the person ordinarily lives with the individual or another individual in a self-contained domestic establishment and has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person’s ability to perform a basic activity of daily living is markedly restricted, or the person’s ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living; and”;

(2) when the first paragraph of section 1029.8.56 of the Act applies to the taxation year 2005, it reads as follows:

**“1029.8.56.** The first and second paragraphs of section 752.0.17 apply for the purpose of determining whether a person, in whose respect the period applicable for a year in relation to an individual is the period described in

paragraph *b* of section 1029.8.55, has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living.”;

(3) when paragraph *b* of section 1029.8.59 of the Act applies

(a) in respect of a certification made after 17 October 2000, it reads as if “or, where the person has a speech impairment, a physician or a speech-language pathologist, within the meaning of section 752.0.18,” was inserted after “where the person has a sight impairment, a physician or an optometrist, within the meaning of that section 752.0.18,”;

(b) in respect of a certification made after 31 December 2004 and before 23 February 2005, it reads as follows:

“(b) where the person has a severe and prolonged impairment in mental or physical functions the effects of which are such that

i. the person's ability to perform a basic activity of daily living is markedly restricted and the period applicable to that person for the year in relation to the individual is the period described in paragraph *b* of section 1029.8.55, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has a sight impairment, a physician or an optometrist, within the meaning of section 752.0.18, or, where the person has a speech impairment, a physician or a speech-language pathologist, within the meaning of section 752.0.18, or, where the person has a hearing impairment, a physician or an audiologist, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in mental functions necessary for everyday life, a physician or a psychologist, within the meaning of section 752.0.18, certifies that the person has such an impairment, or

ii. the person's ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living and the period applicable to that person for the year in relation to the individual is the period described in paragraph *b* of section 1029.8.55, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of section 752.0.18, certifies that the person has such an impairment.”; and

(c) in respect of a certification made after 22 February 2005, it reads as follows:

“(b) where the person has a severe and prolonged impairment in mental or physical functions the effects of which are such that

i. the person’s ability to perform a basic activity of daily living is markedly restricted and the period applicable to that person for the year in relation to the individual is the period described in paragraph *b* of section 1029.8.55, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has a sight impairment, a physician or an optometrist, within the meaning of section 752.0.18, or, where the person has a speech impairment, a physician or a speech-language pathologist, within the meaning of section 752.0.18, or, where the person has a hearing impairment, a physician or an audiologist, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person’s ability in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person’s ability in walking, a physician, an occupational therapist or a physiotherapist, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person’s ability in mental functions necessary for everyday life, a physician or a psychologist, within the meaning of section 752.0.18, certifies that the person has such an impairment, or

ii. the person’s ability to perform more than one basic activity of daily living is significantly restricted if the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living and the period applicable to that person for the year in relation to the individual is the period described in paragraph *b* of section 1029.8.55, the prescribed form on which a physician, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person’s ability in walking or in feeding or dressing himself or herself, a physician or an occupational therapist, within the meaning of section 752.0.18, certifies that the person has such an impairment.””

(2) Subsection 1 has effect from 13 December 2005.

## ACT TO AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS

**306.** (1) Section 145 of the Act to amend the Taxation Act and other legislative provisions (2006, chapter 13) is amended

(1) by replacing the portion of section 1029.8.36.20 of the Taxation Act (R.S.Q., chapter I-3) before paragraph *a*, enacted by subsection 1, by the following:

“**1029.8.36.20.** If, in a taxation year, in this section referred to as the “repayment year”, a qualified corporation or a qualified outside consultant

with whom it has entered into a contract for the carrying out of a design activity pays, 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, in accordance with subparagraph *a* or *b* of the first paragraph of section 1029.8.36.18, an expenditure incurred by the qualified corporation in a particular taxation year for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.5, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000 for the repayment year, to have paid to the Minister on the qualified corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.5 in respect of the expenditure, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the government assistance or non-government assistance, exceeds the aggregate of”;

(2) by striking out “, benefit or advantage” in paragraph *b* of section 1029.8.36.20 of the Taxation Act, enacted by subsection 1;

(3) by replacing the portion of the first paragraph of section 1029.8.36.21 of the Taxation Act before subparagraph *a*, enacted by subsection 1, by the following:

“**1029.8.36.21.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified partnership or a qualified outside consultant with whom it has entered into a contract for the carrying out of a design activity pays, 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, in accordance with subparagraph *i* of subparagraph *c* or *d* of the first paragraph of section 1029.8.36.18, the share of a corporation that is a member of the qualified partnership of an expenditure incurred by the qualified partnership in a particular fiscal period for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.6, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed, if it is a member of the qualified partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.6 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of”;



(4) by replacing “was the same as the corporation’s share” in subparagraphs *a* and *b* of the first paragraph of section 1029.8.36.21 of the Taxation Act, enacted by subsection 1, by “and the qualified partnership’s income or loss for that fiscal period were the same as those”;

(5) by replacing “, the person or the partnership” in subparagraph *b* of the first paragraph of section 1029.8.36.21 of the Taxation Act, enacted by subsection 1, by “or the qualified outside consultant”;

(6) by replacing subparagraph *a* of the second paragraph of section 1029.8.36.21 of the Taxation Act, enacted by subsection 1, by the following subparagraph:

“(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph *i* of subparagraph *c* or *d* of the first paragraph of section 1029.8.36.18; and”;

(7) by replacing “had been the same as the corporation’s share” in subparagraph *b* of the second paragraph of section 1029.8.36.21 of the Taxation Act, enacted by subsection 1, by “and the qualified partnership’s income or loss for that fiscal period were the same as those”;

(8) by replacing the portion of the first paragraph of section 1029.8.36.22 of the Taxation Act before subparagraph *a*, enacted by subsection 1, by the following:

“**1029.8.36.22.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified corporation that is a member of a qualified partnership at the end of the fiscal period of repayment pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation has received and that reduced, in accordance with subparagraph *ii* of subparagraph *c* or *d* of the first paragraph of section 1029.8.36.18, the qualified corporation’s share of an expenditure incurred by the qualified partnership in a particular fiscal period for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.6, in respect of the share, for its taxation year in which the particular fiscal period ended, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.6 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of”;



(9) by replacing “the partnership for the particular fiscal period was the same as the qualified corporation’s share” in subparagraph *a* of the first paragraph of section 1029.8.36.22 of the Taxation Act, enacted by subsection 1, by “the qualified partnership for the particular fiscal period and the qualified partnership’s income or loss for that fiscal period were the same as those”;

(10) by striking out “or the person with whom it is not dealing at arm’s length” in subparagraph *b* of the first paragraph of section 1029.8.36.22 of the Taxation Act, enacted by subsection 1;

(11) by replacing “was the same as the qualified corporation’s share” in subparagraph *b* of the first paragraph of section 1029.8.36.22 of the Taxation Act, enacted by subsection 1, by “and the qualified partnership’s income or loss for that fiscal period were the same as those”;

(12) by replacing subparagraph *a* of the second paragraph of section 1029.8.36.22 of the Taxation Act, enacted by subsection 1, by the following subparagraph:

“(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *c* or *d* of the first paragraph of section 1029.8.36.18; and”;

(13) by replacing “had been the same as the qualified corporation’s share” in subparagraph *b* of the second paragraph of section 1029.8.36.22 of the Taxation Act, enacted by subsection 1, by “and the qualified partnership’s income or loss for that fiscal period were the same as those”;

(14) by replacing the portion of section 1029.8.36.23 of the Taxation Act before paragraph *a*, enacted by subsection 1, by the following:

“**1029.8.36.23.** If, in a taxation year, in this section referred to as the “repayment year”, a qualified corporation pays, 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 wages incurred in respect of a qualified designer or qualified patternmaker, in accordance with subparagraph *a* of the first paragraph of section 1029.8.36.18.1, in respect of which the qualified corporation is deemed to have paid an amount to the Minister under section 1029.8.36.7 for a particular taxation year, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000 for the repayment year, to have paid to the Minister on the qualified corporation’s balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.7 in respect of the

wages, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the government assistance or non-government assistance, exceeds the aggregate of”;

(15) by striking out “, benefit or advantage” in paragraph *b* of section 1029.8.36.23 of the Taxation Act, enacted by subsection 1;

(16) by striking out “, of a benefit or of an advantage” in subsections 2 and 3 and in the portion of paragraph 1 of subsection 4 before the portion of section 1029.8.36.20 of the Taxation Act before paragraph *b*, enacted by that paragraph 1;

(17) by replacing the portion of section 1029.8.36.20 of the Taxation Act before paragraph *a*, enacted by paragraph 1 of subsection 4, by the following:

“**1029.8.36.20.** If, at a particular time, a qualified corporation pays, pursuant to a legal obligation, a particular amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation has received and that reduced, in accordance with subparagraph *a* of the first paragraph of section 1029.8.36.18, an expenditure incurred by the qualified corporation in respect of an outside consulting contract, for the purpose of computing the amount that it is deemed to have paid to the Minister for a taxation year under section 1029.8.36.5 in relation to the contract, the particular amount is deemed to be an expenditure referred to in that section, in relation to the contract, for the taxation year that includes the particular time and, for the purposes of section 1029.8.36.5 in respect of the expenditure, the following rules apply:”;

(18) by replacing the portion of section 1029.8.36.21 of the Taxation Act before paragraph *a*, enacted by paragraph 1 of subsection 4, by the following:

“**1029.8.36.21.** If, at a particular time, a qualified partnership pays, pursuant to a legal obligation, a particular amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified partnership has received and that reduced, in accordance with subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.18, the share of a qualified corporation that is a member of the qualified partnership of an expenditure incurred by the qualified partnership in respect of an outside consulting contract, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.6 in relation to the contract, the particular amount is deemed to be an expenditure referred to in that section, in relation to the contract, for the fiscal period of the qualified partnership that includes the particular time and, for the purposes of section 1029.8.36.6 in respect of the expenditure, the following rules apply:”;

(19) by replacing the portion of section 1029.8.36.22 of the Taxation Act before paragraph *a*, enacted by paragraph 1 of subsection 4, by the following:

“**1029.8.36.22.** If, at a particular time, a qualified corporation that is a member of a qualified partnership pays, pursuant to a legal obligation, a particular amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation has received and that reduced, in accordance with subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.18, the share of the qualified corporation of an expenditure incurred by the qualified partnership, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.6 in relation to an outside consulting contract, the particular amount is deemed to be the share of the qualified corporation of an expenditure referred to in that section, in relation to the contract, for the fiscal period of the qualified partnership that includes the particular time and, for the purposes of section 1029.8.36.6 in respect of the expenditure, the following rules apply.”.

(2) Subsection 1 has effect from 13 June 2006.

**307.** (1) Section 147 of the Act is amended

(1) by replacing section 1029.8.36.24 of the Taxation Act (R.S.Q., chapter I-3), enacted by subsection 1, by the following section:

“**1029.8.36.24.** For the purposes of sections 1029.8.36.20 to 1029.8.36.22, an amount is deemed to be an amount paid, at a particular time, as a repayment of assistance by a qualified corporation, a qualified outside consultant or a qualified partnership, as the case may be, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.18, the expenditure referred to in section 1029.8.36.5 or the share of a qualified corporation that is a member of the qualified partnership of the expenditure referred to in section 1029.8.36.6;

(b) was not received by the qualified corporation, the qualified outside consultant or the qualified partnership; and

(c) ceased at that time to be an amount that the qualified corporation, the qualified outside consultant or the qualified partnership could reasonably expect to receive.”;

(2) by striking out “, a benefit or an advantage,” in subsection 2;

(3) by replacing subsection 4 by the following subsection:

“(4) In addition, when section 1029.8.36.24 of the Act applies after 21 April 2005 in respect of an amount that is an amount of assistance and that reduced an expenditure other than an expenditure incurred after that date, it reads as follows:

**“1029.8.36.24.** For the purposes of sections 1029.8.36.20 to 1029.8.36.22, an amount is deemed to be an amount paid, at a particular time, as a repayment of assistance by a qualified corporation or a qualified partnership, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.18 or 1029.8.36.18.2, the expenditure referred to in section 1029.8.36.5 or the share of a qualified corporation that is a member of the qualified partnership of the expenditure referred to in section 1029.8.36.6;

(b) was not received by the qualified corporation or the qualified partnership; and

(c) ceased at that time to be an amount that the qualified corporation or the qualified partnership could reasonably expect to receive.””

(2) Subsection 1 has effect from 13 June 2006.

**308.** This Act comes into force on 6 December 2006.