

# Gazette officielle du Québec

## Part 2 Laws and Regulations

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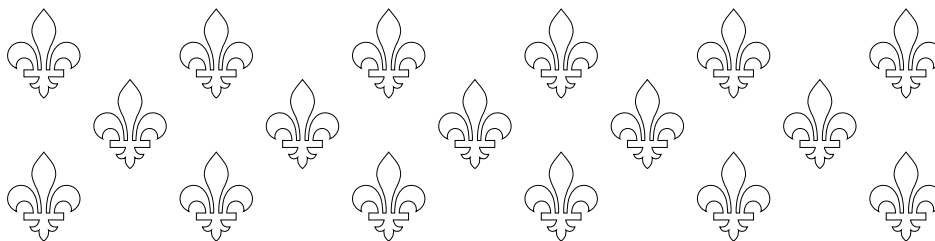
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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-SIXTH LEGISLATURE

Bill 138  
(2001, chapter 7)

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

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**Introduced 15 June 2000**  
**Passage in principle 31 October 2000**  
**Passage 17 May 2001**  
**Assented to 23 May 2001**

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## EXPLANATORY NOTES

*The main object of this bill is to harmonize the fiscal legislation of Québec with that of Canada. It consequently gives effect primarily to various harmonization measures announced in the Budget Speeches delivered by the Minister of State for the Economy and Finance on 31 March 1998 and 9 March 1999.*

*The bill amends the Taxation Act primarily to make amendments similar to various amendments made to the Canada Income Tax Act by federal Bill C-28 (S.C., 1998, chapter 19), assented to on 18 June 1998. The Taxation Act is also amended to make amendments similar to various amendments made to the Canada Income Tax Act by federal Bill C-72 (S.C., 1999, chapter 22), assented to on 17 June 1999 and by federal Bill C-61 (S.C., 1999, chapter 10), assented to on 25 March 1999, and various amendments made to the Canada Shipping Act by federal Bill C-15 (S.C., 1998, chapter 16), assented to on 11 June 1998. In particular, the amendments concern*

*(1) the adjustment measures relating to the tax treatment of the doubtful loans of financial institutions and other taxpayers carrying on a business of lending money, to reflect the new accounting standards established by the Canadian Institute of Chartered Accountants;*

*(2) the rules for computing income from securities held by financial institutions;*

*(3) the introduction of new rules to restrict the deductibility of certain expenses by prorating the deduction over the entire duration of the economic life of a right to future income;*

*(4) the introduction of new provisions permitting the cost or expenditure relating to the acquisition of a tax shelter to be taken off the unpaid principal amount of a debt related to the tax shelter or off the at-risk adjustment in its respect when computing that cost or expenditure;*

*(5) the technical changes to the rules used to establish the risk fraction of a limited partner's interest in a partnership for the purpose of computing the deductible losses attributable to the limited partner;*

(6) *the consolidation, improvement and standardization of loss limitation rules that apply to losses from the disposition of shares in respect of which shareholders have received exempt dividends ;*

(7) *the introduction of new rules which will allow investment corporations that become mutual fund corporations to avail themselves of the capital gains dividend rules ;*

(8) *the measures relating to the determination of transfer pricing ;*

(9) *the rules applicable where a partner has a residual interest, and the loss limitation rules that apply to a loss from the disposition of an interest in a partnership.*

*The bill amends the Taxation Act to make various technical amendments, including consequential and terminology-related amendments.*

*The bill also amends other legislation primarily to reflect certain amendments made to the Taxation Act and to make various technical amendments.*

**LEGISLATION AMENDED BY THIS BILL :**

- Taxation Act (R.S.Q., chapter I-3);
- Act respecting the application of the Taxation Act (R.S.Q., chapter I-4);
- Act respecting family benefits (R.S.Q., chapter P-19.1);
- Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5);
- Act respecting property tax refund (R.S.Q., chapter R-20.1);
- Act respecting the Québec sales tax (R.S.Q., chapter T-0.1);
- Act to amend the Taxation Act and other legislative provisions (1996, chapter 39);
- Act to again amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1997, chapter 85);
- Act to amend the Taxation Act and other legislative provisions (1999, chapter 83).





## Bill 138

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

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

#### TAXATION ACT

1. (1) Section 1 of the Taxation Act (R.S.Q., chapter I-3), amended by section 4 of chapter 5 of the statutes of 2000, is again amended

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

““foreign stock exchange” means any of the following:

- (a) in Germany, the Frankfurt Stock Exchange;
- (b) in Australia, the Australian Stock Exchange;
- (c) in Belgium, the Brussels Stock Exchange;
- (d) in Spain, the Madrid Stock Exchange;
- (e) in the United States,
  - i. the American Stock Exchange,
  - ii. the Boston Stock Exchange,
  - iii. the Chicago Board of Options,
  - iv. the Chicago Board of Trade,
  - v. the Cincinnati Stock Exchange,
  - vi. the Intermountain Stock Exchange,
  - vii. the Midwest Stock Exchange,
  - viii. the National Association of Securities Dealers Automated Quotation System,

- ix. the New York Stock Exchange,
  - x. the Pacific Stock Exchange,
  - xi. the Philadelphia Stock Exchange, and
  - xii. the Spokane Stock Exchange ;
  - (f) in France, the Paris Stock Exchange ;
  - (g) in Hong Kong, the Hong Kong Stock Exchange ;
  - (h) in Ireland, the Irish Stock Exchange ;
  - (i) in Italy, the Milan Stock Exchange ;
  - (j) in Japan, the Tokyo Stock Exchange ;
  - (k) in Mexico, the Mexico City Stock Exchange ;
  - (l) in New Zealand, the New Zealand Stock Exchange ;
  - (m) in the Netherlands, the Amsterdam Stock Exchange ;
  - (n) in the United Kingdom, the London Stock Exchange ;
  - (o) in Singapore, the Singapore Stock Exchange ; and
  - (p) in Switzerland, the Zurich Stock Exchange ;” ;
- (2) by inserting, in the English text, the following definition in alphabetical order :
- ““Canadian stock exchange” means
- (a) the Alberta Stock Exchange ;
  - (b) the Montréal Stock Exchange ;
  - (c) the Toronto Stock Exchange ;
  - (d) the Vancouver Stock Exchange ; or
  - (e) the Winnipeg Stock Exchange ;” ;
- (3) by replacing paragraph *e* of the definition of “cost amount” by the following :

“(e) where the property was a right of the taxpayer to receive an amount, other than property that is a debt the amount of which was deducted under section 141 in computing the taxpayer’s income for a taxation year that ended before that time, a net income stabilization account, a right in respect of which any of paragraphs *b* to *c.1*, *d.1* and *d.2* applies, or a right to receive production, as defined in section 158.1, to which a matchable expenditure, as defined in section 158.1, relates, the amount the taxpayer has a right to receive;”;

(4) by striking out, in the English text, the definition of “stock exchange in Canada”;

(5) by replacing the definition of “lending assets” by the following:

““lending assets” means a bond, debenture, note, obligation secured by mortgage, agreement of sale or any other indebtedness, or a prescribed share, but does not include a prescribed property;”.

(2) Paragraphs 1, 2 and 4 of subsection 1 have effect from 26 November 1999.

(3) Paragraph 3 of subsection 1 has effect from 18 November 1996.

(4) Paragraph 5 of subsection 1 applies to taxation years that end after 30 September 1997 or, where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, to taxation years that end after 31 December 1995 and before 1 October 1997.

2. (1) Section 7.0.4 of the said Act is amended by replacing the words “a tax shelter” by the words “tax shelter investments, within the meaning of section 851.38”.

(2) Subsection 1 applies to fiscal periods that begin after 31 December 1994.

3. (1) Section 7.11.1 of the said Act is replaced by the following:

“7.11.1. For the purposes of this Part and the regulations, the following rules apply:

(a) a person or partnership beneficially interested in a particular trust includes any person or partnership that has any right, whether immediate or future, whether absolute or contingent or whether conditional on or subject to the exercise of any discretionary power by any person or partnership, as a beneficiary under a trust to receive all or any part of the income or capital of the particular trust either directly from the particular trust or indirectly through one or more trusts or partnerships;

(b) except for the purposes of this subparagraph, a particular person or partnership is deemed to be beneficially interested in a particular trust at a particular time where

i. the particular person or partnership is not beneficially interested in the particular trust at the particular time,

ii. because of the terms or conditions of the particular trust or any agreement in respect of the particular trust at the particular time, the particular person or partnership might, because of the exercise of any discretion by any person or partnership, become beneficially interested in the particular trust at the particular time or at a later time, and

iii. at or before the particular time, either the particular trust has acquired property, directly or indirectly in any manner whatever, from a person or partnership described in the second paragraph, or a person or partnership described in that paragraph has given a guarantee on behalf of the particular trust or provided any other financial assistance whatever to the particular trust; and

(c) a member of a partnership that is beneficially interested in a trust is deemed to be beneficially interested in the trust.

The person or partnership to which subparagraph iii of subparagraph *b* of the first paragraph refers is

(a) the particular person or partnership;

(b) another person with whom the particular person or partnership, or a member of the particular partnership, does not deal at arm's length;

(c) a person or partnership with whom the other person referred to in subparagraph *b* does not deal at arm's length;

(d) a controlled foreign affiliate of the particular person or of another person with whom the particular person or partnership, or a member of the particular partnership, does not deal at arm's length; or

(e) a corporation not resident in Canada that would, if the particular partnership were a corporation resident in Canada, be a controlled foreign affiliate of the particular partnership.”

(2) Subsection 1 applies from the taxation year 1998.

4. (1) Section 11.1.1 of the said Act is amended by replacing the portion before paragraph *c* by the following :

“11.1.1. For the purposes of this Part, a corporation that is incorporated or otherwise formed under the laws of a country other than Canada or of a state, province or other political subdivision of such a country is deemed to be resident in that country throughout a taxation year and not to be resident in Canada at any time in the year, where

(a) the corporation

i. has as its principal business in the year the operation of ships that are used primarily in transporting persons or goods in international traffic, determined on the assumption that the corporation is not resident in Canada and that, in the case of a voyage from Canada to a place outside Canada, any port or other place on the Great Lakes or St. Lawrence River is in Canada, or

ii. holds throughout the year shares of one or more other corporations, each of which is a subsidiary wholly-owned corporation of the corporation as defined by subsection 5 of section 544, and is deemed by this section to be resident in a country other than Canada throughout the year, and at no time in the year is the total of the cost amounts to the corporation of all those shares less than 50% of the total of the cost amounts to it of all its property ;

(b) all or substantially all of the corporation's gross revenue for the year consists of

i. gross revenue from the operation of ships in transporting persons or goods in that international traffic referred to in subparagraph i of paragraph a,

ii. dividends from one or more other corporations each of which is a subsidiary wholly-owned corporation of the corporation as defined by subsection 5 of section 544, and is deemed by this section to be resident in a country other than Canada throughout each of its taxation years that began after 28 February 1991 and before the last time at which it paid any of those dividends, or

iii. a combination of amounts described in subparagraphs i and ii ; and”.

(2) Subsection 1 applies from the taxation year 1995.

5. (1) Section 21.1 of the said Act, amended by section 12 of chapter 5 of the statutes of 2000, is again amended by inserting, in the first paragraph, after “106.4,”, “158.1 to 158.14,”.

(2) Subsection 1 has effect from 18 November 1996.

6. (1) Section 21.6 of the said Act is amended by replacing paragraph *d* by the following :

“(d) a share that is listed on a Canadian stock exchange and was issued before 22 April 1980 by

i. a corporation referred to in any of paragraphs *a* to *d* of the definition of “specified financial institution” in section 1,

ii. a corporation whose principal business is the lending of money or the purchasing of debt obligations or a combination thereof, or

iii. an issuing corporation associated with a corporation described in subparagraph i or ii;”.

(2) Subsection 1 has effect from 23 February 1994. However, where the portion of paragraph *d* of section 21.6 of the said Act before subparagraph i, enacted by subsection 1, applies before 26 November 1999, it shall be read with the words “Canadian stock exchange” replaced by the words “prescribed stock exchange in Canada”.

7. (1) Section 21.9.1 of the said Act is amended by replacing, in subparagraphs i and ii of paragraph *b*, the words “on a prescribed stock exchange in Canada” by the words “on a Canadian stock exchange”.

(2) Subsection 1 has effect from 26 November 1999.

8. (1) Section 21.19 of the said Act is replaced by the following:

“21.19. “Canadian-controlled private corporation” means a private corporation that is a Canadian corporation other than a corporation

(a) controlled, directly or indirectly in any manner whatever, by one or more persons not resident in Canada, by one or more public corporations, other than a prescribed corporation, or by any combination thereof;

(b) that would, if each share of the capital stock of a corporation that is owned by a person not resident in Canada or a public corporation, other than a prescribed corporation, were owned by a particular person, be controlled by the particular person; or

(c) a class of the shares of the capital stock of which is listed on a Canadian stock exchange or a foreign stock exchange.”

(2) Subsection 1 has effect from 1 January 1996.

9. (1) Section 87 of the said Act, amended by section 30 of chapter 5 of the statutes of 2000, is again amended

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

“(c) subject to sections 92 and 92.1.1, any amount received or receivable by the taxpayer in the year as interest, depending on the method regularly followed by the taxpayer in computing the taxpayer’s income, to the extent that the interest was not included in computing the taxpayer’s income for a preceding taxation year;”;

(2) by inserting, after paragraph *g*, the following paragraph:

“(g.1) any proceeds of disposition in respect of which section 158.6 applies;”;

(3) by replacing the portion of paragraph *w* before subparagraph *i* by the following :

“(w) any particular amount, other than a prescribed amount, received by the taxpayer in the year, in the course of earning income from a business or property, from a person who pays the particular amount in the course of earning income from a business or property or in order to achieve a benefit for the payer or for persons with whom the payer does not deal at arm’s length, or from a government, municipality or other public authority where the particular amount may reasonably be considered to have been received as a refund, reimbursement, contribution, allowance or as assistance, whether as a grant, subsidy, forgivable loan, deduction from tax, allowance or any other form of assistance, in respect of an amount included in, or deducted as, the cost of property or in respect of an outlay or expense, or as an inducement, whether as a grant, subsidy, forgivable loan, deduction from tax, allowance or any other form of inducement, to the extent that the particular amount”.

(2) Paragraph 1 of subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

(3) Paragraph 2 of subsection 1 applies in respect of dispositions that occur after 17 November 1996.

(4) Paragraph 3 of subsection 1 applies in respect of amounts received after 31 December 1990.

10. (1) Section 90 of the said Act is replaced by the following :

“90. Section 89 applies where the amount mentioned therein becomes receivable by the State or Her Majesty in right of Canada or a province, other than Québec, by a mandatary of the State or Her Majesty in right of Canada or a province, other than Québec, or by a corporation, commission or association that is controlled by the State or Her Majesty in right of Canada or a province, other than Québec, or a mandatary of the State or Her Majesty in right of Canada or a province, other than Québec.”

(2) Subsection 1 has effect from 12 June 1998.

11. (1) Section 92 of the said Act is amended by replacing the first paragraph by the following :

“92. Subject to section 92.1.1, in computing its income for a taxation year, a corporation, partnership, unit trust or any trust of which a corporation or a partnership is a beneficiary shall include any interest on a debt obligation that accrues to it to the end of the year, or becomes receivable or is received by

it before the end of the year, to the extent that the interest was not included in computing its income for a preceding taxation year.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

12. (1) Section 92.1 of the said Act is replaced by the following :

“92.1. Subject to section 92.1.1, where in a taxation year a taxpayer, other than a taxpayer to whom section 92 applies, holds an interest in an investment contract on any anniversary day of the contract, the taxpayer shall include in computing the taxpayer’s income for the year the interest that accrued to the taxpayer to the end of that day with respect to the investment contract, to the extent that the interest was not otherwise included in computing the taxpayer’s income for the year or any preceding taxation year.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

13. (1) The said Act is amended by inserting, after section 92.1, the following section:

“92.1.1. Paragraph *c* of section 87 and sections 92 and 92.1 do not apply to a taxpayer in respect of a debt obligation for the part of a taxation year throughout which the obligation is impaired where an amount in respect of the obligation is deductible because of paragraph *b* of section 140 in computing the taxpayer’s income for the year.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

14. (1) Section 92.18 of the said Act is replaced by the following :

“92.18. For the purposes of this Part, a rider added at any time after 31 December 1989 to a life insurance policy last acquired before 1 January 1990 that provides additional life insurance is deemed to be a separate life insurance policy issued at that time, unless the only additional life insurance



provided by the rider is an accidental death benefit or the life insurance policy is an exempt policy last acquired before 1 December 1982 or an annuity contract.”

(2) Subsection 1 applies in respect of riders added after 31 December 1989.

15. (1) Section 93.7 of the said Act, amended by section 293 of chapter 5 of the statutes of 2000, is again amended, in the first paragraph,

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

“(d) the time at which the property

i. has been delivered to the taxpayer, or to a person or partnership that will use the property for the benefit of the taxpayer, or, where the property is not of a type that is deliverable, is made available to the taxpayer or the person or partnership, and

ii. is capable, either alone or in combination with other property in the possession at that time of the taxpayer or the person or partnership referred to in subparagraph i, of being used by or for the benefit of the taxpayer or that person or partnership to produce a commercially saleable product or to perform a commercially saleable service, including an intermediate product or service that is used or consumed, or to be used or consumed, by or for the benefit of the taxpayer or the person or partnership in producing or performing any such product or service,”;

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

“(f) in the case of property acquired by a corporation a class of shares of the capital stock of which is listed on a Canadian stock exchange or a foreign stock exchange, a corporation that is a public corporation by reason of an election made under subparagraph i of paragraph *b* of the definition of “public corporation” in subsection 1 of section 89 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or a designation made by the Minister of Revenue of Canada in a notice to the corporation under subparagraph ii of paragraph *b* of that definition, or a subsidiary wholly-owned corporation of any such corporation, the end of the taxation year for which depreciation in respect of the property is first deducted in computing the earnings of the corporation in accordance with generally accepted accounting principles and for the purposes of the financial statements of the corporation for the year presented to its shareholders,”.

(2) Paragraph 1 of subsection 1 applies in respect of property acquired after 31 December 1989.

(3) Paragraph 2 of subsection 1 has effect from 26 November 1999.

16. (1) Section 96 of the said Act is amended

(1) by replacing the portion of subsection 2 before paragraph *a* by the following:

“(2) The taxpayer, in the taxpayer’s fiscal return filed in accordance with section 1000 for the taxation year in which the taxpayer acquires a depreciable property of a prescribed class of the taxpayer that is a replacement property for the former property of the taxpayer, may elect that the following rules apply:”;

(2) by replacing subsection 3 by the following:

“(3) For the purposes of this section, a depreciable property of a prescribed class of a taxpayer is a replacement property for the taxpayer’s former property where

(a) it is reasonable to conclude that the property was acquired by the taxpayer to replace the former property;

(a.1) it was acquired by the taxpayer and used by the taxpayer or a person related to the taxpayer for a use that is the same as or similar to the use to which the taxpayer or a person related to the taxpayer put the former property;

(b) where the former property was used by the taxpayer or a person related to the taxpayer for the purpose of gaining or producing income from a business, the property was acquired by the taxpayer either for the purpose of gaining or producing income from that or a similar business or for use by a person related to the taxpayer for such a purpose; and

(c) where the former property was taxable Canadian property, or would have been taxable Canadian property if the taxpayer had been resident in Canada at no time in the year in which the former property was disposed of and the former property had been used in a business carried on by the taxpayer, the property is taxable Canadian property, or would have been taxable Canadian property if the taxpayer had been resident in Canada at no time in the year in which the depreciable property was acquired and the depreciable property were used in a business carried on by the taxpayer.”

(2) Subsection 1 applies in respect of dispositions of former property that occur after 31 December 1993. However, if the taxpayer so elects, in respect of a former property that was disposed of before 18 June 1998, by notifying the Minister of Revenue in writing on or before the taxpayer’s filing-due date for the taxpayer’s first taxation year that ends after 23 May 2001, paragraph *a.1* of subsection 3 of section 96 of the said Act, enacted by paragraph 2 of subsection 1, shall be read as follows for the purpose of determining if a property is a replacement property of a former property:

“(a.1) it was acquired by the taxpayer for a use that is the same as or similar to the use to which the taxpayer or a person related to the taxpayer put the former property;”.

(3) In the case of a taxpayer who files an election under subsection 2, the Minister of Revenue shall, for the purposes of the application of Part I and notwithstanding sections 1010 to 1011 of the said Act, make such assessments of the taxpayer's tax, interest and penalties as are necessary for any taxation year to give effect to the taxpayer's election, and 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 assessments.

17. (1) Section 110.1 of the said Act is replaced by the following :

“110.1. (1) Where, in a taxation year, a taxpayer disposes of an intangible capital property, in this section referred to as “former property”, and the taxpayer so elects, under this section, in the taxpayer's fiscal return for the taxation year in which the taxpayer acquires an intangible capital property that is a replacement property for the taxpayer's former property, that part of the amount that would otherwise be included in the aggregate determined under subparagraph ii of paragraph *b* of section 107 in respect of a business, if that subparagraph were read without reference to “3/4 of”, as has been used by the taxpayer before the end of the first taxation year after the end of the taxation year in which the former property was disposed of by the taxpayer to acquire the replacement property shall, to the extent of 3/4 thereof, be included in that aggregate for the purpose of computing the eligible intangible capital amount of the taxpayer in respect of the business, only from the later of the time the replacement property was acquired by the taxpayer and the time the former property was disposed of by the taxpayer.

(2) For the purposes of this section, an intangible capital property of a taxpayer is a replacement property for a former property of a taxpayer where

(a) it is reasonable to conclude that the intangible capital property was acquired by the taxpayer to replace the former property ;

(a.1) the intangible capital property was acquired by the taxpayer for a use that is the same as or similar to the use to which the taxpayer put the former property ;

(b) the intangible capital property was acquired by the taxpayer for the purpose of gaining or producing income from a business similar to the business in which the former property was used ; and

(c) the former property was used by the taxpayer in a business carried on in Canada and the intangible capital property was acquired for use by the taxpayer in a business carried on by the taxpayer in Canada.”

(2) Subsection 1 applies in respect of dispositions of former property that occur after 31 December 1993.

18. (1) Section 112.1 of the said Act is amended by replacing “subsection 1” by “the first paragraph”.

(2) Subsection 1 has effect from 27 April 1995.

19. (1) Section 125.0.1 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“125.0.1. For the purposes of this Part and subject to section 125.0.3, where at any time in a taxpayer’s taxation year an interest in an indexed debt obligation is held by the taxpayer, the following rules apply :”.

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

20. (1) The said Act is amended by inserting, after section 125.0.2, the following section :

“125.0.3. Section 125.0.1 does not apply to a taxpayer in respect of an indexed debt obligation for the part of a taxation year throughout which the obligation is impaired where an amount in respect of the obligation is deductible because of paragraph *b* of section 140 in computing the taxpayer’s income for the year.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

21. (1) Section 140 of the said Act is amended

(1) by replacing, in the English text, the portion before paragraph *a* by the following :

“140. A taxpayer may deduct in computing the taxpayer’s income for a taxation year, as a reserve, the aggregate of”;

(2) by replacing paragraphs *a* and *b* by the following :

“(a) a reasonable amount in respect of doubtful debts, other than a debt in respect of which paragraph *b* applies, that have been included in computing the taxpayer’s income for the year or a preceding taxation year, and

“(b) where the taxpayer is a financial institution, within the meaning of section 851.22.1, in the year or a taxpayer whose ordinary business includes the lending of money, an amount not exceeding the particular amount

determined for the year under section 140.1 in respect of properties, other than mark-to-market properties, as defined in the first paragraph of that section 851.22.1, that are impaired loans or lending assets that are specified debt obligations, as defined in that paragraph, of the taxpayer, or impaired loans or lending assets that were made or acquired by the taxpayer in the ordinary course of the taxpayer's business of insurance or the lending of money."

(2) Paragraph 2 of subsection 1, where it enacts paragraph *a* of section 140 of the said Act, applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

(3) Paragraph 2 of subsection 1, where it enacts paragraph *b* of section 140 of the said Act, applies to taxation years that end after 22 February 1994.

22. (1) Section 140.1 of the said Act is amended

(1) by replacing, in the English text, the portion before paragraph *a* by the following:

"140.1. The particular amount, referred to in paragraph *b* of section 140, for a taxation year in respect of impaired loans or lending assets of a taxpayer is equal to the aggregate of";

(2) by replacing paragraphs *a* and *b* by the following:

"(a) the percentage, not exceeding 100%, that the taxpayer claims of the prescribed reserve amount for the taxpayer for the year, and

"(b) in respect of loans, lending assets or specified debt obligations that are impaired and for which no amount was deductible for the year under subparagraph *a*, each of which in this paragraph is referred to as a "particular loan", the taxpayer's specified percentage for the year of the lesser of

i. the aggregate of all amounts each of which is a reasonable amount as a reserve, other than any portion of which is in respect of a sectoral reserve, for a particular loan in respect of the amortized cost of the particular loan to the taxpayer at the end of the year, and

ii. the amount determined by the formula

$0.9A - B.$ ";

(3) by adding the following paragraph:

“In the formula provided for in subparagraph ii of subparagraph *b* of the first paragraph,

(a) A is the amount that is the taxpayer’s reserve or allowance for impairment, other than any portion of the amount that is in respect of a sectoral reserve, for all of the taxpayer’s particular loans that is determined for the year in accordance with generally accepted accounting principles ; and

(b) B is the aggregate of all amounts each of which is the specified reserve adjustment for a particular loan, other than an income bond, an income debenture, a small business bond or small business development bond, for the year or a preceding taxation year.”

(2) Paragraphs 2 and 3 of subsection 1 apply to taxation years that end

(1) after 30 September 1997 ; or

(2) after 31 December 1995 and before 1 October 1997 where the taxpayer elects in writing to have subsection 1 apply to the year and files the election with the Minister of Revenue before the end of the sixth month after the month that includes 23 May 2001.

(3) In the case of a taxpayer who files an election under paragraph 2 of subsection 2, the Minister of Revenue shall, for the purposes of the application of Part I of the said Act and notwithstanding sections 1010 to 1011 of the said Act, make such assessments of the taxpayer’s tax, interest and penalties as are necessary for any taxation year to give effect to the taxpayer’s election, and 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 assessments.

(4) In addition, where section 140.1 of the said Act, replaced by subsection 1, applies to a taxation year that ends after 22 February 1994 and before 1 October 1997 or, where an election under paragraph 2 of subsection 2 was made by the taxpayer, before 1 January 1996, subparagraph 2 of subparagraph ii of paragraph *b* of that section 140.1 shall be read as follows :

“(2) the aggregate of all amounts included under section 92 or paragraph *a* of section 851.22.4 in computing the taxpayer’s income for the year or a preceding taxation year to the extent that those amounts reduced the part of the reserve referred to in subparagraph 1.”

23. (1) The said Act is amended by inserting, after section 140.1, the following sections :

“140.1.1. For the purposes of subparagraph i of subparagraph *b* of the first paragraph of section 140.1, a sectoral reserve is a reserve or an allowance for impairment for a loan that is determined on a sector-by-sector basis, including a geographic sector, an industrial sector or a sector of any other nature, and not on a property-by-property basis.

“140.1.2. For the purposes of subparagraph *b* of the first paragraph of section 140.1, a taxpayer’s specified percentage for a taxation year is

(a) where the taxpayer has a prescribed reserve amount for the year for the purposes of subparagraph *a* of the first paragraph of section 140.1, the percentage that is the percentage of the prescribed reserve amount of the taxpayer for the year claimed by the taxpayer under that subparagraph *a* for the year; and

(b) in any other case, 100%.

“140.1.3. For the purposes of subparagraph *b* of the second paragraph of section 140.1, the specified reserve adjustment for a loan of a taxpayer for a taxation year is the amount determined by the formula

$$0.1(A \times B \times C/365) .$$

In the formula provided for in the first paragraph,

(a) *A* is the carrying amount of the impaired loan that is used or would be used in determining the interest income on the loan for the taxation year in accordance with generally accepted accounting principles;

(b) *B* is the effective interest rate on the loan for the year determined in accordance with generally accepted accounting principles; and

(c) *C* is the number of days in the taxation year on which the loan is impaired.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

24. (1) Section 140.2 of the said Act is amended

(1) by replacing, in the English text, the portion before paragraph *b* by the following:

“140.2. A taxpayer who is an insurer or whose ordinary business includes the lending of money may deduct in computing the taxpayer’s income for a taxation year, as a reserve in respect of credit risks under guarantees, indemnities, letters of credit or other credit facilities, bankers’ acceptances, interest rate or currency swaps, foreign exchange or other future or option contracts, interest rate protection agreements, risk participations and other similar instruments or commitments issued, made or assumed by the taxpayer in the ordinary course of the taxpayer’s business of insurance or the lending of

money in favour of persons with whom the taxpayer deals at arm's length, an amount not exceeding the lesser of

(a) a reasonable amount as a reserve for credit risk losses of the taxpayer expected to arise after the end of the year in respect of those instruments or commitments, and”;

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

“(b) 90% of the reserve for credit risk losses referred to in paragraph *a* determined for the year in accordance with generally accepted accounting principles.”

(2) Paragraph 2 of subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

25. (1) Section 141 of the said Act is amended

(1) by replacing, in the English text, the portion before paragraph *b* by the following :

“141. A taxpayer may deduct in computing the taxpayer's income for a taxation year the aggregate of

(a) all debts owing to the taxpayer that have been included by the taxpayer in computing the taxpayer's income for the year or a preceding taxation year and that are established by the taxpayer to have become bad debts in the year, and”;

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

“(b) all amounts each of which is that part of the amortized cost to the taxpayer at the end of the year of a loan or lending asset, other than a mark-to-market property, as defined in section 851.22.1, that is established in the year by the taxpayer to have become uncollectible and that,

i. where the taxpayer is an insurer or a taxpayer whose ordinary business includes the lending of money, was made or acquired in the ordinary course of the taxpayer's business of insurance or the lending of money, or

ii. where the taxpayer is a financial institution, within the meaning of section 851.22.1, in the year, is a specified debt obligation, as defined in the first paragraph of that section, of the taxpayer.”



(2) Paragraph 2 of subsection 1 applies to taxation years that end after 22 February 1994.

26. The said Act is amended by inserting, after section 158, the following :

**“DIVISION X.1**

**“EXPENDITURES MATCHABLE WITH A RIGHT TO RECEIVE PRODUCTION**

“158.1. In this division,

“matchable expenditure” of a taxpayer means the amount of an expenditure that is made by the taxpayer to

(a) acquire a right to receive production ;

(b) fulfil a covenant or obligation in circumstances in which it is reasonable to consider that a relationship exists between the covenant or obligation and a right to receive production ; or

(c) preserve or protect a right to receive production ;

“right to receive production” means a right under which a taxpayer is entitled, either immediately or in the future and either absolutely or contingently, to receive an amount all or a portion of which is established by reference to use of property, production, revenue, profit, cash flow, commodity price, cost or value of property or any other similar criterion or by reference to dividends paid or payable to shareholders of any class of shares where the amount is in respect of another taxpayer’s activity, property or business but such a right does not include an income interest in a trust, a Canadian resource property or a foreign resource property ;

“tax benefit” means a reduction, avoidance or deferral of tax or other amount payable under this Act or an increase in a refund of tax or other amount under this Act ;

“tax shelter” means a property that would be a tax shelter, as defined in section 1079.1, if

(a) the cost of a right to receive production were equal to the aggregate of all amounts each of which is a matchable expenditure to which the right relates ; and

(b) sections 158.2 to 158.12 did not apply for the purpose of computing an amount, or in the case of a partnership a loss, represented to be deductible ;

“taxpayer” includes a partnership.

For the purposes of the definition of “matchable expenditure” in the first paragraph, the amount of an expenditure that a taxpayer may deduct in computing the taxpayer’s income for a taxation year under this chapter, otherwise than under this division, is not a matchable expenditure.

“158.2. Subject to section 158.3, no amount of a matchable expenditure may be deducted by a taxpayer in computing the taxpayer’s income from a business or property for a taxation year.

“158.3. If a taxpayer’s matchable expenditure would, but for section 158.2 and this section, be deductible in computing the taxpayer’s income for a taxation year, the taxpayer may deduct in respect of the matchable expenditure in computing the taxpayer’s income for a taxation year the amount that is determined under section 158.4 for the year in respect of the expenditure.

“158.4. The amount to which section 158.3 refers for a taxation year in respect of a taxpayer’s matchable expenditure is the amount that is the least of

(a) the aggregate of the amount by which the amount determined under this subparagraph for the preceding taxation year in respect of the matchable expenditure exceeds the amount of the matchable expenditure deductible in computing the taxpayer’s income for that preceding year and the lesser of

- i. 1/5 of the matchable expenditure, and
- ii. the amount determined by the formula

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

(b) the aggregate of all amounts each of which is included in computing the taxpayer’s income for the year, other than any portion of such amount that is the subject of a reserve claimed by the taxpayer for the year under this Act, in respect of the right to receive production to which the matchable expenditure relates and the amount by which the amount determined under this subparagraph for the preceding taxation year in respect of the matchable expenditure exceeds the amount of the matchable expenditure deductible in computing the taxpayer’s income for that preceding year; and

(c) the amount by which the aggregate of all amounts each of which is the amount of the matchable expenditure that would, but for this division, have been deductible in computing the taxpayer’s income for the year or a preceding taxation year exceeds the aggregate of all amounts each of which is the amount of the matchable expenditure deductible under section 158.3 in computing the taxpayer’s income for a preceding taxation year.

In the formula provided for in subparagraph *a* of the first paragraph,

(a) A is the number of months that are in the taxation year and after the day on which the right to receive production to which the matchable expenditure relates is acquired;

(b) B is the lesser of 240 and the number of months that are in the period that begins on the day on which the right to receive production to which the matchable expenditure relates is acquired and that ends on the day the right is to terminate; and

(c) C is the amount of the matchable expenditure.

“158.5. For the purposes of this division, the following rules apply:

(a) where a taxpayer’s matchable expenditure is made before the day on which the related right to receive production is acquired by the taxpayer, the expenditure is deemed to have been made on that day;

(b) where a taxpayer has one or more rights to renew a particular right to receive production to which a matchable expenditure relates for one or more additional terms, after the term that includes the time at which the particular right was acquired, the particular right is deemed to terminate on the latest day on which the latest possible such term could terminate if all rights to renew the particular right were exercised;

(c) where a taxpayer has more than one right to receive production that can reasonably be considered to be related to each other, the rights are deemed to be one right; and

(d) where the term of a taxpayer’s right to receive production is for an indeterminate period, the right is deemed to terminate 20 years after it is acquired.

“158.6. Where in a taxation year a taxpayer disposes of all or part of a right to receive production to which a matchable expenditure relates, the proceeds of the disposition shall be included in computing the taxpayer’s income for the year.

“158.7. Subject to sections 158.8 and 158.9, the amount that a taxpayer may deduct, under section 158.3, in computing the taxpayer’s income for a taxation year, in respect of a matchable expenditure, other than a matchable expenditure no portion of which would, if this division were read without reference to this section, be deductible under section 158.3 in computing the taxpayer’s income, is deemed to be the amount determined under subparagraph c of the first paragraph of section 158.4 for the year in respect of the matchable expenditure where in the year

(a) the taxpayer disposes, otherwise than in a disposition to which subsections 1 and 2 of section 544 or sections 556 to 564.1 and 565 apply, of

all of the taxpayer's right to receive production to which the matchable expenditure relates; or

(b) the taxpayer's right to receive production to which the matchable expenditure relates has expired.

“158.8. Section 158.9 applies where a taxpayer's particular right to receive production to which a matchable expenditure, other than a matchable expenditure no portion of which would, if this division were read without reference to sections 158.7 and 158.9, be deductible under section 158.3 in computing the taxpayer's income, relates has expired or the taxpayer has disposed of all of the right, otherwise than in a disposition to which subsections 1 and 2 of section 544 or sections 556 to 564.1 and 565 apply, and

(a) where

i. during the period that begins 30 days before and ends 30 days after the disposition or expiry, the taxpayer or a person affiliated, or who does not deal at arm's length, with the taxpayer acquires a right to receive production, in this section and section 158.9 referred to as the “substituted property”, that is, or is identical to, the particular right, and

ii at the end of the period referred to in subparagraph i, the taxpayer or a person affiliated, or who does not deal at arm's length, with the taxpayer owns the substituted property; or

(b) during the period that begins at the time of the disposition or expiry and ends 30 days after that time, a taxpayer that had an interest, directly or indirectly, in the right to receive production, has another interest, directly or indirectly, in another right to receive production, which is a tax shelter or a tax shelter investment as defined by section 851.38.

“158.9. Where this section applies because of section 158.8 to a disposition or expiry in a taxation year or a preceding taxation year of a taxpayer's right to receive production to which a matchable expenditure relates, the following rules apply:

(a) the amount that may be deducted under section 158.3 in respect of the expenditure in computing the taxpayer's income for a taxation year that ends at or after the disposition or expiry of the right is the amount determined under section 158.4 for the year in respect of the expenditure; and

(b) the amount determined under section 158.4 in respect of the expenditure for a taxation year is deemed to be the amount determined under subparagraph c of the first paragraph of section 158.4 in respect of the expenditure for the year where the year includes the time that is immediately before the first time, after the disposition or expiry,

i. at which the right would, if it were owned by the taxpayer, be deemed by Title I.1 of Book VI or section 999.1 to have been disposed of by the taxpayer,

ii. that is immediately before control of the taxpayer is acquired by a person or group of persons, if the taxpayer is a corporation,

iii. at which winding-up of the taxpayer begins, other than a winding-up to which sections 556 to 564.1 and 565 apply, if the taxpayer is a corporation,

iv. where section 158.8 applies otherwise than because of paragraph *b* thereof, at which a 30-day period begins throughout which neither the taxpayer nor a person affiliated, or who does not deal at arm's length, with the taxpayer owns the substituted property, or a property that is identical to the substituted property and that was acquired after the day that is 31 days before the period began, or

v. where section 158.8 applies otherwise than because of paragraph *a* thereof, at which a 30-day period begins throughout which no taxpayer who had an interest, directly or indirectly, in the right has an interest, directly or indirectly, in another right to receive production if one or more of those direct or indirect interests in the other right is a tax shelter or tax shelter investment as defined by section 851.38.

“158.10. For the purposes of paragraph *b* of section 158.9, where a partnership ceases to exist at any time after a disposition or expiry referred to in section 158.9, the partnership is deemed not to have ceased to exist, and each taxpayer who was a member of the partnership immediately before the partnership would, but for this section, have ceased to exist is deemed to remain a member of the partnership until the time that is immediately after the first of the times described in subparagraphs i to v of paragraph *b* of section 158.9.

“158.11. For the purpose of applying section 158.8, otherwise than because of paragraph *b* thereof, and section 158.9, a right to acquire a particular right to receive production, other than a right, as security only, derived from a mortgage, agreement of sale or similar obligation, is deemed to be a right to receive production that is identical to the particular right.

“158.12. For the purpose of applying Title VIII of Book VI to an amount that would, if this division were read without reference to this section, be a matchable expenditure any portion of the cost of which is deductible under section 158.3, the expenditure is deemed to be a tax shelter investment and that Title VIII shall be read without reference to paragraph *b* of section 851.41.

“158.13. Where the rate of return on a taxpayer's right to receive production to which a matchable expenditure, other than a matchable expenditure no portion of which would, if this division were read without reference to this section, be deductible under section 158.3 in computing the

taxpayer's income, relates is reasonably certain at the time the taxpayer acquires the right, the following rules apply:

(a) for the purposes of section 92.5 and the regulations made under that section,

i. the right is deemed to be a debt obligation in respect of which no interest is stipulated to be payable in respect of the principal amount, and

ii. the obligation is deemed to be satisfied at the time the right terminates for an amount equal to the total of the return on the debt obligation and the amount that would otherwise be the matchable expenditure that is related to the right; and

(b) notwithstanding section 158.3, no amount may be deducted in computing the taxpayer's income in respect of any matchable expenditure that relates to the right.

“158.14. Subject to sections 158.1 and 158.13, this division does not apply to a taxpayer's matchable expenditure in respect of a right to receive production if no portion of the expenditure can reasonably be considered to have been paid to another taxpayer, or to a person with whom the other taxpayer does not deal at arm's length, to acquire the right to receive production from the other taxpayer and

(a) the taxpayer's expenditure cannot reasonably be considered to relate to a tax shelter or tax shelter investment, as defined by section 851.38, and none of the main purposes for making the expenditure is that the taxpayer, or a person with whom the taxpayer does not deal at arm's length, obtain a tax benefit; or

(b) before the end of the taxation year in which the expenditure is made, the aggregate of all amounts each of which is included in computing the taxpayer's income for the year, other than any portion of such an amount that is the subject of a reserve claimed by the taxpayer for the year under this Act, in respect of the right to receive production to which the matchable expenditure relates, exceeds 80% of the expenditure.”

(2) Subsection 1 applies in respect of expenditures made by a taxpayer or a partnership after 17 November 1996, with the exception of the following expenditures in respect of a particular right to receive production:

(1) an expenditure made before 1 January 1997 pursuant to an agreement in writing made by the taxpayer or the partnership before that date to acquire the particular right as consideration for the payment of selling commissions incurred before that date in relation to the distribution of shares of a mutual fund corporation or units of a mutual fund trust or to render production services before that date for a film or video production;

(2) an expenditure made before 1 August 1997 if

(a) the expenditure was made pursuant to an agreement in writing made by the taxpayer or the partnership before 1 August 1997 to acquire the particular right as consideration for the payment of selling commissions incurred after 31 December 1996 but before 1 August 1997 in relation to the distribution of shares of a mutual fund corporation or units of a mutual fund trust that is managed by an administrator of mutual funds,

(b) the particular right to receive production was identified in an application for an advance ruling filed with the Minister of Revenue before 19 December 1996,

(c) the aggregate of the expenditures made by any taxpayer or partnership in respect of all of the rights identified in the application for an advance ruling referred to in subparagraph *b* does not exceed \$30,000,000, and

(d) all tax shelter investments, as defined in section 851.38 of the said Act, enacted by subsection 1 of section 132, that can reasonably be considered to relate to the expenditure were acquired before 1 August 1997;

(3) an expenditure made before 1 August 1997 if

(a) the expenditure is made pursuant to an agreement in writing made by the taxpayer or the partnership before 1 August 1997 to acquire the particular right as consideration for the payment of selling commissions incurred after 31 December 1996 but before 1 August 1997 in relation to the distribution of shares of a mutual fund corporation or units of a mutual fund trust that is managed by an administrator of mutual funds, other than an administrator that is or is related to an administrator referred to in paragraph 2 in respect of commissions incurred in relation to the distribution of shares or units referred to in that paragraph,

(b) the aggregate of all expenditures made by any taxpayer or partnership to acquire particular rights as consideration for the payment of selling commissions in relation to the distribution of shares of a mutual fund corporation or units of a mutual fund trust that is managed by the administrator of mutual funds or any other person that is related to the administrator does not exceed \$10,000,000, and

(c) all tax shelter investments, as defined in section 851.38 of the said Act, enacted by subsection 1 of section 132, that can reasonably be considered to relate to the expenditure were acquired before 1 August 1997;

(4) an expenditure made before 1 November 1997 pursuant to an agreement in writing made by the taxpayer or the partnership before that date to acquire the particular right and to render production services before that date for a film or video production if

(a) at least 75% of the expenditures made in respect of the film or video production by the taxpayer or partnership pertain to services performed in Canada by persons resident in Canada, and

(b) all tax shelter investments, as defined in section 851.38 of the said Act, enacted by subsection 1 of section 132, that can reasonably be considered to relate to the expenditure were acquired before 1 November 1997;

(5) subject to subsection 3, an expenditure made before 1 January 1998 pursuant to an agreement in writing made by the taxpayer or the partnership before 18 November 1996 to acquire the particular right;

(6) subject to subsection 3, an expenditure made before 1 January 1998 if

(a) the expenditure was made pursuant to the terms of a document that is a final prospectus, preliminary prospectus or registration statement filed before 19 December 1996 with a public authority in Canada in accordance with the securities legislation of Canada or of a province and, where required by law, accepted for filing by the public authority,

(b) the particular right is identified in the document, and

(c) all the funds raised pursuant to the terms of the document were raised before 1 January 1997 and all tax shelter investments, as defined in section 851.38 of the said Act, enacted by subsection 1 of section 132, that can reasonably be considered to relate to the expenditure were acquired before 1 August 1997;

(7) subject to subsection 3, an expenditure made before 1 January 1998 pursuant to the terms of an offering memorandum distributed as part of an offering of securities if

(a) the memorandum contained a complete or substantially complete description of the securities contemplated in the offering as well as the terms and conditions of the offering,

(b) the memorandum was distributed before 19 December 1996,

(c) solicitations in respect of the sale of the securities contemplated by the memorandum were made before 19 December 1996,

(d) the sale of the securities was substantially in accordance with the memorandum,

(e) the particular right is identified in the document, and

(f) all the funds raised pursuant to the terms of the memorandum were raised before 1 January 1997 and all tax shelter investments, as defined in section 851.38 of the said Act, enacted by subsection 1 of section 132, that can



reasonably be considered to relate to the expenditure were acquired before 1 August 1997.

(3) Paragraphs 5 to 7 of subsection 2 apply to an expenditure only if

(1) there is no agreement or other arrangement under which the obligations of the taxpayer or the partnership in respect of the expenditure can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act,

(2) where the expenditure is associated with one or more tax shelters sold or offered for sale at a time and in circumstances in which Book X.1 of Part I of the said Act requires an identification number to be obtained, an identification number was obtained before that time, and

(3) in the case of an expenditure, including an expenditure to which paragraph 5 of subsection 2 applies, made pursuant to a document described in paragraph 6 or 7 of that subsection 2, a portion of the securities authorized to be sold in 1996 pursuant to the document was, after 31 December 1995 and before 19 December 1996, sold to, or subscribed by, a person who was not, at the time of the sale or subscription,

(a) a promoter, or the agent of a promoter, of securities,

(b) a grantor of the right to receive production to which the expenditure relates,

(c) a broker or dealer in securities, or

(d) a person related to a person referred to in subparagraph *a* or *b*.

(4) For the purposes of paragraphs 1 and 4 of subsection 2, an expenditure is deemed to have been made not earlier than the time and only to the extent that it is considered for the purposes of the said Act to have been made and, in the case where production services are rendered for a film or video production, only to the extent that the services are rendered at or before that time.

(5) For the purposes of paragraphs 2 and 3 of subsection 2, an expenditure is deemed to have been made not earlier than the time and only to the extent that it is considered for the purposes of the said Act to have been made.

(6) For the purposes of paragraphs 5 to 7 of subsection 2, where an expenditure relates to service obligations to be fulfilled by the taxpayer or partnership, the expenditure is deemed to have been made not earlier than the time and only to the extent that it is considered for the purposes of the said Act to have been made and only to the extent that the services are rendered at or before that time.

27. (1) Section 175.1.1 of the said Act is amended by replacing, in the portion before subparagraph *a* of the first paragraph, “Where,” by “Subject to section 851.22.13.1, where,”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

28. (1) Section 176 of the said Act is amended by replacing the second paragraph by the following:

“The taxpayer may not, however, deduct any amount paid or payable as or on account of the principal amount of the indebtedness or as or on account of interest.”

(2) Subsection 1 applies in respect of expenses incurred after 31 December 1987.

29. (1) Section 194 of the said Act, amended by section 50 of chapter 5 of the statutes of 2000, is again amended, in the third paragraph,

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

“(a) all amounts, other than an amount described in section 198, that were paid in the year, or are deemed by this Part to have been paid in the year, in the course of carrying on the business,

i. in the case of amounts paid, or deemed by this Part to have been paid, for the inventory relating to the business, in payment of or on account of an amount that would be deductible in computing the income from the business for the year or any other taxation year if that income were not computed in accordance with this cash method, and

ii. in any other case, in payment of or on account of an amount that would be deductible in computing the income from the business for a preceding taxation year, the year or the following taxation year if that income were not computed in accordance with this cash method;”;

(2) by inserting, after subparagraph *a*, the following subparagraph:

“(a.1) all amounts, other than an amount described in section 198, that would be deductible in computing the income from the business for the year if that income were not computed in accordance with this cash method, that are not deductible in computing the income from the business for any other taxation year, and that were paid in a preceding taxation year in the course of carrying on the business;”.

(2) Subsection 1 applies in respect of amounts paid after 26 April 1995, other than amounts paid pursuant to an agreement in writing made by the payer before 27 April 1995.

30. (1) Section 247.2 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“247.2. Where, at any time in a taxation year, an individual owns capital property that is a share of a class of the capital stock of a corporation that, at that time, is a small business corporation and, immediately after that time, ceases to be a small business corporation because a class of the shares of its capital stock is listed on a Canadian stock exchange or a foreign stock exchange and the individual elects in prescribed form to have this section apply, the individual is deemed, except for the purposes of Division VI of Chapter II of Title II, Division IX of Chapter V of Title III and section 725.3,”.

(2) Subsection 1 applies in respect of corporations that cease to be a small business corporation after 31 December 1995.

(3) However, an election under the portion of section 247.2 of the said Act before paragraph *a*, enacted by subsection 1, that is made by an individual for the taxation year 1995 is deemed to have been made within the time limit provided for in section 247.3 of that Act if

(1) a class of the shares of the capital stock of the corporation in respect of which the election is made was, on 1 January 1996, listed on a foreign stock exchange mentioned in paragraph *b* of section 21.11.20R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1) ;

(2) the corporation was a small business corporation on 31 December 1995 ; and

(3) the election is made before the end of the sixth month after the month that includes 23 May 2001.

(4) Where subsection 3 applies, the Minister of Revenue shall, notwithstanding sections 1010 to 1011 of the said Act, make such assessments of the taxpayer’s tax, interest and penalties as are necessary for any taxation year to give effect to the taxpayer’s election, and 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 assessments.

31. (1) Section 255 of the said Act, amended by section 68 of chapter 5 of the statutes of 2000, is again amended

(1) by replacing, in paragraph *b*, “741 or 742” by “741, 741.2 or 742” ;

(2) by replacing, in subparagraph *i* of paragraph *i*, “subsection 2” by “the second paragraph”.

(2) Subsection 1 has effect from 27 April 1995.

32. (1) Section 257 of the said Act is amended,

- (1) in subparagraph i of paragraph *l*,
- (a) by replacing “and 744.1” and “Chapter IV,” by “, 638.1, 741.2 and 744.1, as it applied to dispositions of property that occurred before 27 April 1995” and “Chapter IV and”, respectively;
- (b) by striking out “and the second paragraph of section 741”;
- (2) by replacing subparagraph i.3 of paragraph *l* by the following:
- “i.3. where at the particular time the property is not a tax shelter investment as defined in section 851.38 and the taxpayer would be a member described in section 261.1 of the partnership if the fiscal period of the partnership that includes that time ended at that time, the unpaid principal amount of any indebtedness of the taxpayer for which recourse is limited, either immediately or in the future and either absolutely or contingently, and that may reasonably be considered to have been used to acquire the property;”.
- (2) Paragraph 1 of subsection 1 has effect from 27 April 1995.
- (3) Paragraph 2 of subsection 1 applies in respect of indebtedness of a taxpayer arising after 26 September 1994, other than indebtedness arising under an agreement in writing entered into by the taxpayer before 27 September 1994.
33. (1) Section 259.1 of the said Act is amended by striking out, in the portion before paragraph *a*, “, 537”.
- (2) Subsection 1 applies to taxation years that end after 21 February 1994.
34. (1) Section 259.2 of the said Act is replaced by the following:
- “259.2. The rules provided in the second paragraph apply where
- (a) at any time in a taxation year a person or partnership, in this section referred to as “the vendor”, disposes of a specified property to another person or partnership, in this section referred to as “the transferee”;
- (b) immediately before that time, the vendor and the transferee did not deal with each other at arm’s length or would not have dealt with each other at arm’s length had this section applied with reference to subparagraph *k* of the first paragraph of section 485.3;
- (c) paragraph *b* would apply in respect of the disposition if each right referred to in paragraph *b* of section 20 that is a right of the transferee to acquire the specified property from the vendor or a right of the transferee to acquire other property as part of a transaction or event or series of transactions or events that includes the disposition were not taken into account; and

(d) the proceeds of the disposition are not determined under any of the provisions referred to in section 259.1.

The rules to which the first paragraph refers are as follows:

(a) the transferee shall deduct after that time, in computing the adjusted cost base to the transferee of the property, the amount by which the aggregate of all amounts deducted under paragraph *b.1* of section 257 in computing, immediately before that time, the adjusted cost base to the vendor of the property exceeds the amount that would be the vendor's capital gain for the year from the disposition if this Part were read without reference to subparagraph *b* of the first paragraph of section 234 and section 638; and

(b) the transferee shall add after that time, in computing the adjusted cost base to the transferee of the property, the amount determined under paragraph *a* in respect of the disposition.”

(2) Subsection 1 applies to taxation years that end after 21 February 1994.

35. (1) Section 261.5 of the said Act, amended by section 70 of chapter 5 of the statutes of 2000, is again amended

(1) by replacing, in the French text of the portion before paragraph *a*, “personnes,” by “personnes”;

(2) by replacing paragraphs *b* and *c* by the following:

“(b) the member or a person not dealing at arm's length with the member is entitled, either immediately or in the future and either absolutely or contingently, to receive an amount or to obtain a benefit that would be described in paragraph *b* of section 613.3 if that paragraph were read without reference to subparagraphs *ii*, as it applies before being struck out, and *vi* thereof;

“(c) where the member who owns the interest is a corporation, partnership or trust, one of the reasons for the existence of the member can reasonably be considered to be to limit the liability of any person with respect to that interest, and cannot reasonably be considered to be to permit any person who has an interest in the corporation, partnership or trust, as the case may be, to carry on the person's business, other than an investment business, in the most effective manner; or”;

(3) by replacing, in the French text of paragraph *d*, the words “l'un des principaux buts” by the words “l'une des principales raisons” and the words “convention ou d'une autre entente” by the words “entente ou d'un autre arrangement”.

(2) Subsection 1 applies to fiscal periods that end after 30 November 1994.

36. Section 272 of the said Act is amended by replacing the first paragraph by the following:

“272. Where the individual disposes of the individual’s principal residence to the individual’s spouse or a trust and the presumption referred to in section 440 or 454 applies,

(a) the spouse or the trust is deemed to have owned the residence since the individual acquired it; and

(b) the residence is deemed to have been the principal residence of the spouse or trust

i. in the case provided for in section 440, for all the years with respect to which the individual could have designated it, in accordance with the third paragraph of section 274, to have been the individual’s principal residence, and

ii. in the case provided for in section 454, for all the years for which the residence was the individual’s principal residence.”

37. (1) The said Act is amended by inserting, after section 274.3, the following section:

“274.4. Where a person not resident in Canada disposes of a taxable Québec property that the person last acquired before 27 April 1995 and that would not be a taxable Québec property immediately before the disposition if sections 1087 to 1096.2 were read as they applied in respect of dispositions that occurred on 26 April 1995, the person’s gain or loss from the disposition is deemed to be the amount determined by the formula

$$A \times B/C.$$

In the formula provided for in the first paragraph,

(a) A is the amount of the gain or loss determined without reference to this section;

(b) B is the number of calendar months in the period that begins with May 1995 and ends with the calendar month that includes the time of the disposition; and

(c) C is the number of calendar months in the period that begins with the calendar month in which the person last acquired the property and ends with the calendar month that includes the time of the disposition.”

(2) Subsection 1 applies in respect of dispositions of property that occur after 26 April 1995.

38. (1) Section 278 of the said Act is replaced by the following :

“278. Notwithstanding section 234, this division applies where, at any time in a taxation year, an amount becomes receivable by a taxpayer as proceeds of disposition of a capital property, in this division referred to as “former property”, that is either property the proceeds of disposition of which are described in section 280 or a property that was, immediately before the disposition, a former business property of the taxpayer, and the taxpayer acquires, where the former property is property the proceeds of disposition of which are described in that section 280, before the end of the second taxation year following the end of the year or, in any other case, before the end of the first taxation year following the end of the year, a capital property that is a replacement property for the taxpayer’s former property and the replacement property has not been disposed of by the taxpayer before the time the taxpayer has disposed of the former property.”

(2) Subsection 1 applies in respect of dispositions of former properties that occur after 31 December 1993. However, if the taxpayer so elects in respect of a former property of the taxpayer that was disposed of before 18 June 1998, by notifying the Minister of Revenue in writing on or before the taxpayer’s filing-due date for the taxpayer’s first taxation year that ends after 23 May 2001, paragraph *a.1* of subsection 3 of section 96 of the said Act, enacted by paragraph 2 of subsection 1 of section 16, shall, for the purpose of determining whether a capital property of the taxpayer is a replacement property of the former property, be read as follows :

“(a.1) it was acquired by the taxpayer for a use that is the same as or similar to the use to which the taxpayer or a person related to the taxpayer put the former property;”.

39. (1) Section 280.2 of the said Act is replaced by the following :

“280.2. For the purposes of this division, paragraphs *a* to *c* of subsection 3 of section 96 apply, with the necessary modifications, where it must be determined if a particular capital property of a taxpayer is a replacement property for a former property of the taxpayer.”

(2) Subsection 1 applies in respect of dispositions of former property that occur after 31 December 1993. However, if the taxpayer so elects in respect of a former property of the taxpayer that was disposed of before 18 June 1998, by notifying the Minister of Revenue in writing on or before the taxpayer’s filing-due date for the taxpayer’s first taxation year that ends after 23 May 2001, paragraph *a.1* of subsection 3 of section 96 of the said Act, enacted by paragraph 2 of subsection 1 of section 16, shall, for the purpose of determining whether a property of the taxpayer is a replacement property of the former property, be read as follows :

“(a.1) it was acquired by the taxpayer for a use that is the same as or similar to the use to which the taxpayer or a person related to the taxpayer put the former property;”.

40. (1) Section 301 of the said Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following :

“301. Where a share of the capital stock of a corporation is acquired by a taxpayer from the corporation in exchange for a capital property of the taxpayer that is another share of the corporation or a capital property of the taxpayer that is a bond, debenture or note of the corporation the terms of which confer on the holder the right to make the exchange and no consideration other than that share is received by the taxpayer, the following rules apply :”.

(2) Subsection 1 applies in respect of exchanges that occur after 20 June 1996, other than exchanges that occur before 1 January 1997 under agreements in writing made before 21 June 1996.

41. Section 307.24 of the said Act is repealed.

42. Section 314 of the said Act is amended, in the French text, by replacing the word “transport” by the word “transfert”.

43. (1) Section 363 of the said Act, amended by section 23 of chapter 39 of the statutes of 2000, is again amended by replacing subparagraphs *h* and *i* of the first paragraph by the following :

“(h) the generation of energy using property described in Class 43.1 in Schedule B to the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1); and

“(i) the development of projects for which it is reasonable to expect that at least 50% of the capital cost of the depreciable property to be used in each project is the capital cost of property described in Class 43.1 in Schedule B to the Regulation respecting the Taxation Act.”

(2) Subsection 1 has effect from 6 December 1996.

44. (1) Section 423 of the said Act is repealed.

(2) Subsection 1 applies to taxation years that begin after 31 December 1997.

45. Section 437 of the said Act is amended by replacing, in the French text of the portion before paragraph *a*, the words “le transport” by the words “l’attribution”.

46. (1) Section 451 of the said Act is amended, in the first paragraph,



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

“*i.* property that has been used, principally in the course of carrying on the business of farming in Canada in which the individual or a spouse, a child or the father or mother of the individual was actively engaged on a regular and continuous basis, by one of the following persons or partnerships:”;

(2) by inserting, after subparagraph 1 of subparagraph *i* of subparagraph *a*, the following subparagraph:

“(1.1) a corporation controlled by a corporation referred to in subparagraph 1;”;

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

“*i.* property that has been used, principally in the course of carrying on the business of farming in Canada in which the individual or a spouse, a child or the father or mother of the individual was actively engaged on a regular and continuous basis, by the partnership or by one of the following persons:”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 1994.

47. Section 467 of the said Act is amended by replacing, in the French text of paragraph *b*, the word “transporté” by the word “transféré”.

48. (1) Section 484.13 of the said Act is amended by replacing the portion before paragraph *b* by the following:

“484.13. Where a property is seized at any time in a taxation year by a creditor in respect of a debt, no amount in respect of the debt

(*a*) is deductible in computing the creditor’s income for the year or a subsequent taxation year as a bad, doubtful or impaired debt; or”.

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

49. (1) Section 485 of the said Act, amended by section 104 of chapter 5 of the statutes of 2000, is again amended, in paragraph *b* of the definition of “excluded security”, by replacing the words “a prescribed stock exchange in Canada” by the words “a Canadian stock exchange”.

(2) Subsection 1 has effect from 26 November 1999. In addition, where paragraph *b* of the definition of “excluded security” in section 485 of the said Act, amended by subsection 1, applies before 26 November 1999, it shall be read with the words “a prescribed stock exchange in Canada” replaced by “a Canadian stock exchange which is a stock exchange mentioned in paragraph *a* of section 21.11.20R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1)”.

50. (1) Section 491 of the said Act is amended by replacing paragraph *e* by the following:

“(e) compensation received under the regulations made under section 9 of the Aeronautics Act (Revised Statutes of Canada, 1985, chapter A-2), an amount received under the Gallantry Awards Order made by the Government of Canada or a pension payment, an allowance or compensation that is received under the Pension Act (Revised Statutes of Canada, 1985, chapter P-6), the Civilian War-related Benefits Act (Revised Statutes of Canada, 1985, chapter C-31) or the War Veterans Allowance Act (Revised Statutes of Canada, 1985, chapter W-3); or”.

(2) Subsection 1 has effect from 1 May 1999.

51. (1) Section 497 of the said Act is replaced by the following:

“497. A taxpayer shall include, in computing the taxpayer’s income for a taxation year, the aggregate of

(a) the aggregate of all amounts each of which is a taxable dividend received by the taxpayer at any time in the year on a share acquired before that time and after 30 April 1989 from a corporation resident in Canada as part of a dividend rental arrangement of the taxpayer or a taxable dividend received by the taxpayer in the year from a corporation resident in Canada that is not a taxable Canadian corporation;

(a.1) where the taxpayer is a trust, the aggregate of all amounts each of which is all or part of a taxable dividend, other than a dividend referred to in subparagraph *a*, that was received by the trust in the year on a share of the capital stock of a taxable Canadian corporation and that can reasonably be considered as having been included in computing the income of a beneficiary under the trust who was not resident in Canada at the end of the year; and

(b) the amount by which the aggregate of all amounts received by the taxpayer in the year from corporations resident in Canada as full or partial payment of taxable dividends, other than an amount included in computing the taxpayer’s income by reason of subparagraph *a* or *a.1*, exceeds, where the taxpayer is an individual, the aggregate of the amounts paid by the taxpayer in the year after 31 May 1989 that are deemed, under section 21.32, to have been received by another person as taxable dividends.

The taxpayer shall also include in computing the taxpayer's income for a taxation year, if the taxpayer is an individual, other than a trust that is a registered charity, 1/4 of the excess amount determined in respect of the taxpayer under subparagraph *b* of the first paragraph for the year."

(2) Subsection 1 applies to taxation years that end after 26 April 1995.

52. (1) Section 517.4.3 of the said Act is replaced by the following :

"517.4.3. For the purposes of sections 517.4.1 and 517.4.2,

(*a*) where at any time a corporation issues a share of its capital stock to a taxpayer, the taxpayer and the issuing corporation are deemed not to be dealing with each other at arm's length at that time ;

(*b*) where a taxpayer is deemed, because of subparagraph *a* of the first paragraph of section 726.9.2, to have reacquired a share, the taxpayer is deemed to have acquired the share at the beginning of 23 February 1994 from a person with whom the taxpayer was not dealing at arm's length ; and

(*c*) where a share owned by a particular person, or a share substituted for that share, has by one or more transactions or events between persons not dealing at arm's length become vested in another person, the particular person and the other person are deemed at all times not to be dealing at arm's length with each other whether or not the particular person and the other person coexisted."

(2) The portion of section 517.4.3 of the said Act before paragraph *c*, enacted by subsection 1, applies from the taxation year 1994.

(3) Paragraph *c* of section 517.4.3 of the said Act, enacted by subsection 1, applies in respect of the determination of the adjusted cost base of a share after 20 June 1996.

53. (1) Section 545 of the said Act, amended by section 31 of chapter 39 of the statutes of 2000, is again amended, in subsection 5,

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

"(5) For the purposes of sections 741 to 744.2.2," ;

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

"(*b*) any dividend, other than a taxable dividend, received on a share by the predecessor corporation is deemed to have been received on the share by the new corporation ; and" ;

(3) by inserting the following paragraph :

“(c) a share acquired by the new corporation from a predecessor corporation is deemed to have been owned by the new corporation throughout any period of time throughout which it was owned by a predecessor corporation.”

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of dispositions that occur after 26 April 1995.

(3) Paragraph 3 of subsection 1 applies to taxation years that begin after 31 December 1993.

54. (1) Section 550.6 of the said Act is amended by replacing the words “on a prescribed stock exchange” by the words “on a Canadian stock exchange”.

(2) Subsection 1 has effect from 26 November 1999.

55. (1) The said Act is amended by inserting, after section 550.7, the following sections:

“550.8. For the purposes of Title III of Part II, a share, in this section referred to as the “new share”, is deemed to be listed on a Canadian stock exchange or a foreign stock exchange until the earliest time at which it is redeemed, acquired or cancelled, where

(a) a new corporation is formed as a result of an amalgamation;

(b) the new corporation is a public corporation;

(c) the new corporation issues the new share, which is a share of any class of the capital stock thereof;

(d) the new share is issued in exchange for a share, in this section referred to as the “old share”, of the capital stock of a predecessor corporation;

(e) immediately before the amalgamation, the old share was listed on a Canadian stock exchange or a foreign stock exchange; and

(f) the new share is redeemed, acquired or cancelled by the new corporation within 60 days after the amalgamation.

“550.9. Where at any time there is an amalgamation of a corporation, in this section referred to as the “parent”, and one or more other corporations, each of which is a subsidiary wholly-owned corporation of the parent, the following rules apply:

(a) the shares of each subsidiary are deemed to have been disposed of by the parent immediately before the amalgamation for proceeds equal to the proceeds that would be determined under section 558 if sections 556 to 564.1 and 565 applied, with the necessary modifications, to the amalgamation; and

(b) the cost to the new corporation formed on an amalgamation of each capital property of each subsidiary acquired on the amalgamation is deemed to be the amount that would have been the cost to the parent of the property if the property had been distributed at that time to the parent on a winding-up of the subsidiary and sections 556 to 564.1 and 565 had applied to the winding-up.”

(2) Subsection 1, where it enacts section 550.8 of the said Act, applies in respect of amalgamations that occur after 26 April 1995. However, where that section 550.8 applies in respect of an amalgamation that occurred before 1 July 1996, it shall be read without reference to paragraph *b*.

(3) Subject to subsection 4, subsection 1, where it enacts section 550.9 of the said Act, applies in respect of amalgamations that occur after 31 December 1994. In addition, for the purposes of paragraph *b* of that section 550.9, any designation by a new corporation formed on an amalgamation of an amount under the second paragraph of section 559 and section 560 of the said Act that is filed with the Minister of Revenue before the end of the third month after the month that includes 23 May 2001 is deemed to have been made by the new corporation in its fiscal return under Part I of the said Act for its first taxation year.

(4) Where the new corporation formed on an amalgamation that occurred before 20 June 1996 so elects in writing by filing with the Minister of Revenue the document evidencing the election with the fiscal return under Part I of the said Act for the parent’s taxation year that ended immediately before the amalgamation, or within 90 days after any assessment or reassessment of tax payable under that Part for the year, subsection 1, where it enacts section 550.9 of the said Act, does not apply in respect of the amalgamation.

56. (1) Section 555.2.2 of the said Act is replaced by the following :

“555.2.2. For the purposes of section 550.6, a right listed on a Canadian stock exchange to acquire a share of a class of the capital stock of the particular corporation is deemed to be a right listed on a Canadian stock exchange to acquire a share of a class of the capital stock of the new corporation.”

(2) Subsection 1 has effect from 26 November 1999.

57. (1) The said Act is amended by inserting, after section 555.2.3, the following section :

“555.2.4. For the purpose of applying section 550.8 in respect of a merger,

(a) the reference in paragraph *b* of that section to “the new corporation” shall be read as a reference to “the new corporation or the particular corporation, within the meaning assigned by Division III of this chapter”; and

(b) the references in paragraphs *c* and *f* of that section to “the new corporation” shall be read as references to “the public corporation referred to in paragraph *b*”.

(2) Subsection 1 applies in respect of mergers that occur after 26 April 1995. However, where section 555.2.4 of the said Act, enacted by subsection 1, applies in respect of a merger that occurred before 1 January 1998, it shall be read as follows :

“555.2.4. For the purpose of applying section 550.8 in respect of a merger,

(a) any share issued by the particular corporation on the merger is deemed to have been issued by the new corporation; and

(b) the reference in paragraph *f* of that section to “the new corporation” shall be read as a reference to “the corporation that issued the share”.

58. (1) Section 557 of the said Act is amended by replacing subparagraph *a* of the second paragraph by the following :

“(a) in the case of a Canadian resource property, a foreign resource property or a right to receive production, as defined in section 158.1, to which a matchable expenditure, as defined in section 158.1, relates, the proceeds are deemed to be equal to zero; and”.

(2) Subsection 1 has effect from 18 November 1996.

59. (1) Section 564.1 of the said Act is amended

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

“564.1. For the purposes of sections 741 to 744.2.2, where the parent acquires pursuant to a winding-up described in section 556 a share owned by the subsidiary,”;

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

“(b) any dividend, other than a taxable dividend, received on a share by the subsidiary is deemed to have been received on the share by the parent; and”;

(3) by inserting the following paragraph :

“(c) a share acquired by the parent from the subsidiary is deemed to have been owned by the parent throughout any period of time throughout which it was owned by the subsidiary.”

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of dispositions that occur after 26 April 1995.

(3) Paragraph 3 of subsection 1 applies to taxation years that begin after 31 December 1993.

60. (1) Section 597.3 of the said Act is amended, in the first paragraph,

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

“(a) the cost amount to the taxpayer of the property at that time determined without reference to paragraphs *c.5* and *h.1* of section 255, paragraphs *b* and *b.1* and subparagraph *i.3* of paragraph *l* of section 257 and Title VIII of Book VI;”;

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

“(d) where the taxpayer has held or has had the interest in the property at all times since the end of the calendar year 1984, the amount by which the fair market value of the property at the end of the calendar year 1984 exceeds the cost amount to the taxpayer of the property at the end of the calendar year 1984, or, in any other case, the aggregate of

i. the amount by which the fair market value of the property at the time the taxpayer acquired the property exceeds the cost amount to the taxpayer of the property at that time, and

ii. the amount by which the aggregate of all amounts each of which is an amount that would have been included in respect of the property because of section 597.6 in computing the taxpayer’s income for a taxation year that began before 20 June 1996 if the cost to the taxpayer of the property had been equal to the fair market value of the property at the time the taxpayer acquired it exceeds the aggregate of all amounts each of which is an amount that was included in respect of the property because of section 597.6 in computing the taxpayer’s income for a taxation year that began before 20 June 1996.”

(2) Paragraph 1 of subsection 1 has effect from 27 September 1994. However, where subparagraph *a* of the first paragraph of section 597.3 of the said Act, enacted by paragraph 1 of subsection 1, applies to a taxation year that ended before 27 April 1995, it shall be read as follows :

“(a) the cost amount to the taxpayer of the property at that time determined without reference to paragraph *h.1* of section 255, subparagraph *i.3* of paragraph *l* of section 257 and Title VIII of Book VI;”.

(3) Paragraph 2 of subsection 1 applies to taxation years that begin after 20 June 1996.

61. (1) Section 603 of the said Act is amended, in the portion before paragraph *a*, by inserting, after “110.1,”, “119.15,”.

(2) Subsection 1 applies to fiscal periods that end after 2 December 1992.

62. (1) Section 613.2 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“613.2. For the purposes of sections 600, 603 to 605.2, 608 to 613.10 and 727 to 737, the at-risk amount of a taxpayer, in respect of a partnership of which the taxpayer is a limited partner, at any particular time is the amount by which the aggregate of the following amounts exceeds the amount determined under section 613.3:”.

(2) Subsection 1 has effect from 22 December 1992.

63. (1) Section 613.3 of the said Act is amended

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

“(a) the aggregate of all amounts each of which is an amount owing at the particular time to the partnership, or to a person or partnership not dealing at arm’s length with the partnership, by the taxpayer or by a person or partnership not dealing at arm’s length with the taxpayer, other than any amount deducted under subparagraph i.3 of paragraph *l* of section 257 in computing the adjusted cost base, or under Title VIII of Book VI in computing the cost, to the taxpayer of the taxpayer’s partnership interest at that time ; and” ;

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

“(b) any amount or benefit that the taxpayer or a person not dealing at arm’s length with the taxpayer is entitled, either immediately or in the future and either absolutely or contingently, to receive or to obtain, whether by way of reimbursement, compensation, revenue guarantee, proceeds of disposition, loan or any other form of indebtedness, or in any other form or manner whatever, granted or to be granted for the purpose of reducing the impact, in whole or in part, of any loss that the taxpayer may sustain because the taxpayer is a member of the partnership or holds or disposes of an interest in the partnership, except to the extent that the amount or benefit is referred to in paragraph *e* of section 399, paragraph *h* of section 412 or paragraph *e* of section 418.6 in respect of the taxpayer, or the entitlement arises” ;

(3) by striking out, in the French text of subparagraph *i* of paragraph *b*, the word “pas” ;

(4) by striking out subparagraphs *iv* and *v* of paragraph *b*.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 1 December 1994.

(3) Paragraph 4 of subsection 1 applies in respect of partnership interests acquired by a taxpayer after 26 April 1995. However, it does not apply where



(1) the interest in the partnership was acquired by the taxpayer pursuant to an agreement in writing made by the taxpayer before 27 April 1995, or

(a) before 1 January 1996 where

i. all or substantially all of the property of the partnership is a prescribed film production within the meaning of section 613.3R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1), as it read before its repeal, or an interest in one or more partnerships if all or substantially all of the property of each of the partnerships is such a production,

ii. the principal photography of the production, or, in the case of a production that is a television series, one episode of the series, began before 1 January 1996, and

iii. the principal photography of the production was completed before 1 March 1996,

(b) before 1 January 1996 where it may reasonably be considered that the funds raised by the partnership through the issue of the interest were used by the partnership to acquire before 1 January 1996 property included in Class 24, 27 or 34 in Schedule B to the Regulation respecting the Taxation Act and the property was

i. acquired pursuant to an agreement in writing made by the partnership before 27 April 1995, or

ii. under construction by or on behalf of the partnership on 26 April 1995,

(c) before 1 July 1995 pursuant to the terms of a document that is a final prospectus, preliminary prospectus or registration statement filed before 27 April 1995 with a public authority in Canada and in accordance with the securities legislation of Canada or of any province and, where required by law, accepted for filing by the public authority, and the funds so raised were expended before 1 January 1996 on expenditures contemplated by the document, or

(d) before 1 July 1995 pursuant to the terms of an offering memorandum distributed as part of an offering of securities where

i. the memorandum contained a complete or substantially complete description of the securities contemplated in the offering as well as the terms and conditions of the offering,

ii. the memorandum was distributed before 27 April 1995,

iii. solicitations in respect of the sale of the securities contemplated by the memorandum were made before 27 April 1995,

iv. the sale of the securities was substantially in accordance with the memorandum, and

v. the funds were expended before 1 January 1996 in accordance with the memorandum; and

(2) the following conditions are met:

(a) in the case of an interest acquired by the taxpayer pursuant to an agreement in writing made by the taxpayer before 27 April 1995 or to which subparagraphs *c* and *d* of paragraph 1 apply that is a tax shelter for which Book X.1 of Part I of the said Act requires an identification number to be obtained, an identification number was obtained before 27 April 1995, and

(b) there is no agreement or other arrangement under which the taxpayer's obligations in respect of the interest can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act.

64. (1) Section 613.4 of the said Act is replaced by the following:

“613.4. For the purposes of sections 613.2 and 613.3,

(a) the amount or benefit to which the taxpayer referred to in section 613.2, or a person not dealing at arm's length with the taxpayer, is at any time entitled and that is provided by way of an agreement or other arrangement under which the taxpayer or the person has a right, either immediately or in the future and either absolutely or contingently, otherwise than as a consequence of the death of the taxpayer, to acquire other property in exchange for all or any part of the taxpayer's interest in the partnership referred to in that section shall not be considered to be less than the fair market value of the other property at that time; and

(b) the amount or benefit to which the taxpayer or the person is at any time entitled and that is provided by way of a guarantee, security or similar covenant in respect of any loan or other obligation of the taxpayer or the person shall not be considered to be less than the aggregate of the unpaid amount of the loan or obligation at that time and all other amounts outstanding in respect of the loan or obligation at that time.”

(2) Subsection 1 applies in respect of partnership interests acquired by a taxpayer after 26 April 1995. However, it does not apply where

(1) the interest in the partnership was acquired by the taxpayer

(a) pursuant to an agreement in writing made by the taxpayer before 27 April 1995,

(b) before 1 July 1995 pursuant to the terms of a document that is a final prospectus, preliminary prospectus or registration statement filed before 27 April 1995 with a public authority in Canada and in accordance with the securities legislation of Canada or of any province and, where required by law, accepted for filing by the public authority, and the funds so raised were expended before 1 January 1996 on expenditures contemplated by the document, or

(c) before 1 July 1995 pursuant to the terms of an offering memorandum distributed as part of an offering of securities where

i. the memorandum contained a complete or substantially complete description of the securities contemplated in the offering as well as the terms and conditions of the offering,

ii. the memorandum was distributed before 27 April 1995,

iii. solicitations in respect of the sale of the securities contemplated by the memorandum were made before 27 April 1995,

iv. the sale of the securities was substantially in accordance with the memorandum, and

v. the funds were expended before 1 January 1996 in accordance with the memorandum; and

(2) the following conditions are met:

(a) in the case of an interest that is a tax shelter for which Book X.1 of Part I of the said Act required an identification number to be obtained, an identification number was obtained before 27 April 1995, and

(b) there is no agreement or other arrangement under which the taxpayer's obligations in respect of the interest can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act.

65. (1) Section 613.6 of the said Act is replaced by the following:

“613.6. For the purposes of sections 600, 603 to 605.2, 608 to 613.10 and 727 to 737, a taxpayer who is a member of a partnership at a particular time is a limited partner of the partnership at that time if the member's partnership interest is not an exempt interest, within the meaning assigned by section 613.7, at that time and if, at that time or within three years after that time,

(a) by operation of any law governing the partnership arrangement, the liability of the member as a member of the partnership is limited;

(b) the member or a person not dealing at arm's length with the member is entitled, either immediately or in the future and either absolutely or contingently, to receive an amount or to obtain a benefit that would be described in paragraph *b* of section 613.3 if that paragraph were read without reference to subparagraphs ii, as it applies before being struck out, and vi thereof;

(c) where the member who owns the interest is a corporation, partnership or trust, one of the reasons for the existence of the member can reasonably be considered to be to limit the liability of any person with respect to that interest, and cannot reasonably be considered to be to permit any person who has an interest in the corporation, partnership or trust, as the case may be, to carry on that person's business, other than an investment business, in the most effective manner; or

(d) one of the main reasons for the existence of an agreement or other arrangement for the disposition of an interest in the partnership can reasonably be considered to be to attempt to avoid the application of this section to the member."

(2) Subsection 1 applies to fiscal periods that end after 30 November 1994, except where it replaces, in the portion of section 613.6 of the said Act before paragraph *a*, "605" by "605.2", in which case it has effect from 22 December 1992.

66. (1) Section 638.1 of the said Act is replaced by the following:

"638.1. Notwithstanding the second paragraph of section 231, the capital loss of a taxpayer from the disposition at any time of an interest in a partnership is deemed to be equal to the amount of the loss otherwise determined minus the aggregate of all amounts each of which is an amount by which the taxpayer's share of the partnership's loss, in respect of a share of the capital stock of a corporation that is property of a particular partnership at that time, would be reduced under section 741.2 if the fiscal period of every partnership that includes that time had ended immediately before that time and the particular partnership had disposed of the share immediately before the end of that fiscal period for proceeds equal to its fair market value at that time."

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995. However, section 638.1 of the said Act, enacted by subsection 1, shall be read with "section 741.2" replaced by "the second paragraph of section 741" where it applies in respect of a disposition of share that is

(1) a disposition made pursuant to an agreement in writing made before 27 April 1995;

(2) the disposition of a share of the capital stock of a corporation that is made to that corporation, where

(a) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust of which an individual, other than a trust, was a beneficiary,

(b) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual's spouse,

(c) it was reasonable to conclude, on 26 April 1995, that one of the main purposes of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the issuing corporation, and

(d) the disposition is made by

i. the individual or the individual's spouse,

ii. the succession of the individual or of the individual's spouse within the succession's first taxation year,

iii. the particular trust, where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or subparagraph *a.1* of that first paragraph in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition accrues before the end of the trust's third taxation year that begins after the spouse's death, or

iv. the trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual's spouse, or a trust described in section 440 of the said Act created by the individual's will in respect of the individual's spouse, before the end of the trust's third taxation year that begins after the spouse's death;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the succession of the individual before 1 January 1997;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that date, that was made by the succession before 1 January 1997; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995, where the individual is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or subparagraph *a.1* of that first paragraph in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation that is acquired in exchange for another share in the course of a transaction to which sections 301, 301.1, 518 to 533 or 541 to 555.4 of the said Act apply is deemed to be the same share as the other share.

67. (1) Section 640 of the said Act is amended, in the first paragraph, by inserting, after “785.2”, “and to Title VI.5 of Book IV,”.

(2) Subsection 1 applies from the taxation year 1994.

68. (1) Section 649 of the said Act, amended by section 140 of chapter 5 of the statutes of 2000, is again amended, in the portion of paragraph *b* before subparagraph *i*, by replacing the words “prescribed stock exchange in Canada” by the words “Canadian stock exchange”.

(2) Subsection 1 has effect from 26 November 1999. In addition, where the portion of paragraph *b* of section 649 of the said Act before subparagraph *i*, amended by subsection 1, applies after 31 December 1993 and before 26 November 1999, it shall be read with the words “prescribed stock exchange in Canada” replaced by “Canadian stock exchange that is a stock exchange mentioned in paragraph *a* of section 21.11.20R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1)”.

69. Section 656.4 of the said Act is amended

(1) by replacing, wherever they appear in the French text of the portion before paragraph *a*, the words “d’aliénation” by the words “de l’aliénation”;

(2) by replacing paragraphs *b* and *b.1* by the following:

“(b) section 688 does not apply to a distribution made by the trust during the period beginning immediately after the disposition day, and ending at the end of the first day after the disposition day that is determined in respect of the trust under section 653, to any beneficiary, other than an individual who is an exempt beneficiary under the trust immediately before the time of the distribution;

“(b.1) paragraph *b* does not apply to distributions made by the trust after 28 February 1995 where the trust filed the form before 1 March 1995;”.

70. (1) Section 667 of the said Act, replaced by section 145 of chapter 5 of the statutes of 2000, is amended by replacing “742 and 744.2” by “741.2, 742, 742.2 and 744.2”.

(2) Subsection 1 has effect from 27 April 1995.

71. Section 685 of the said Act is amended by replacing “transferring” by “distributing”.

72. (1) Section 686 of the said Act, replaced by section 147 of chapter 5 of the statutes of 2000, is amended

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

“(1) was a taxable dividend that was designated under section 666 by the trust in respect of the taxpayer, to the extent that the amount of the dividend was deductible because of sections 738 to 745 or section 845 in computing the taxpayer’s taxable income for any taxation year, or” ;

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

“(1) was a taxable dividend that was designated under section 666 by the trust in respect of the partnership, to the extent that the amount of the dividend was deductible because of sections 738 to 745 or section 845 in computing the person’s taxable income for any taxation year, or”.

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

73. Section 688 of the said Act, amended by section 148 of chapter 5 of the statutes of 2000, is again amended

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

“688. Where a personal trust or a prescribed trust distributes, at a particular time, property owned by it to a taxpayer who is a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s capital interest in the trust, the following rules apply :” ;

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

“(d) for the purposes of sections 93 to 104, 130 and 130.1 and of the regulations made under paragraph *a* of section 130, where the property distributed was depreciable property of a prescribed class of the trust and the amount that was the capital cost to the trust of such property exceeds the cost at which, in accordance with sections 688, 689, 691 and 692, the taxpayer is deemed to acquire the property, the following rules apply :” ;

(3) by striking out, in the French text, the word “être”, after the word “réputé”, in subparagraph i of paragraph *d* and in subparagraph 1 of subparagraph ii of paragraph *e* ;

(4) by replacing, in the portion of paragraph *e* before subparagraph i, the word “transferred” by the word “distributed” ;

(5) by replacing, in the French text of the portion of subparagraph ii of paragraph *e* before subparagraph 1, the words “aux fins” by the words “pour l’application”.

74. Section 688.0.1 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“688.0.1. Where at any time a property is distributed by a personal trust to a taxpayer in circumstances in which section 688 applies and section 691 does not apply and the property would, if the trust had so designated the property under section 274.0.1, be a principal residence, within the meaning of that section, of the trust for a taxation year, the following rules apply where the trust so elects in its fiscal return under this Part for the taxation year that includes that time :”.

75. Section 688.1 of the said Act, amended by section 149 of chapter 5 of the statutes of 2000, is again amended by replacing the portion before paragraph *a* by the following :

“688.1. Notwithstanding any other provision of this Part, other than Title I.2 of Book VI, where a trust distributes, at a particular time, a property owned by it to a taxpayer who is a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s capital interest in the trust or of a right described in section 306 and section 688 does not apply in respect of the distribution, the following rules apply :”.

76. Section 688.2 of the said Act, enacted by section 150 of chapter 5 of the statutes of 2000, is amended by replacing, in the portion before paragraph *a*, the words “transfers” and “the transfer” by the words “distributes” and “the distribution”, respectively.

77. Section 690 of the said Act is amended

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

“(a) where the trust distributes to the taxpayer money or other property, in satisfaction of all or part of the taxpayer’s capital interest, the aggregate of

- i. the money so distributed,
- ii. all amounts each of which is the cost amount to the trust, immediately before the distribution, of each such other property ;” ;

(2) by replacing, in the French text of the portion of the second paragraph before subparagraph *a*, the words “Aux fins” by the words “Pour l’application”.

78. Section 690.1 of the said Act is amended

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



“690.1. Where a trust governed by an employee benefit plan has distributed, at a particular time, property owned by it to a taxpayer who was a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s interest in the trust, the following rules apply:”;

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

“(d) for the purposes of sections 93 to 104, 130 and 130.1 and the regulations made under paragraph *a* of section 130, where the property distributed was depreciable property of a prescribed class of the trust and the amount that was the capital cost to the trust of that property exceeds the cost at which the taxpayer is deemed by paragraph *b* to have acquired the property,”.

79. Section 690.2 of the said Act is amended

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

“690.2. Where an employee trust distributes, at a particular time, property owned by it to a taxpayer who is a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s interest in the trust, the following rules apply:”;

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

“(d) for the purposes of sections 93 to 104, 130 and 130.1 and the regulations made under paragraph *a* of section 130, where the property distributed was depreciable property of a prescribed class of the trust and the amount that was the capital cost of that property to the trust exceeds the cost at which, in accordance with paragraph *b*, the taxpayer is deemed to acquire the property, the following rules apply:”.

80. Section 690.3 of the said Act is amended

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

“690.3. Where a trust governed by a retirement compensation arrangement has distributed, at a particular time, property owned by it to a taxpayer who was a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s interest in the trust, the following rules apply:”;

(2) by replacing the portion of paragraph *e* before subparagraph *i* by the following:

“(e) for the purposes of sections 93 to 104, 130 and 130.1 and the regulations made under paragraph *a* of section 130, where the property distributed was depreciable property of a prescribed class of the trust and the amount that was

the capital cost to the trust of that property exceeds the cost at which the taxpayer is deemed by paragraph *c* to have acquired the property”.

**81.** Section 691 of the said Act is amended

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

“691. Notwithstanding paragraphs *a* to *c* of section 688, where at a particular time property of a trust is distributed by the trust to a beneficiary in circumstances in which section 688 would, but for this section, apply, the trust is described in subparagraph *a* of the first paragraph and in the second paragraph of section 653, the property so distributed was capital property, a Canadian resource property, a foreign resource property or land included in the inventory of the trust, the taxpayer to whom the property is distributed is a person other than the spouse referred to in subparagraph *a* of the first paragraph of section 653 in respect of the trust, and that spouse is alive on the day the property is so distributed, the following rules apply:”;

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

“(c) the taxpayer is deemed to have disposed of all or part, as the case may be, of the taxpayer’s capital interest in the trust for proceeds of disposition equal to the cost at which, but for this section, the taxpayer would be deemed by paragraph *b* of section 688, which applies in all cases irrespective of section 689, to have acquired the property, minus the amount of any obligation that the taxpayer assumed to pay as consideration for the distribution of such property by the trust.”

**82.** Section 691.1 of the said Act is amended

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

“691.1. Notwithstanding paragraphs *a* to *c* of section 688, the rules provided in paragraphs *a* to *c* of section 691 apply where a personal trust or a prescribed trust distributes a particular property owned by it to a taxpayer who is a beneficiary under the trust in satisfaction of all or any part of the taxpayer’s capital interest in the trust and”;

(2) by replacing, in paragraph *c*, the word “transferred” by the word “distributed”.

**83.** Section 692 of the said Act is amended

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

“692. Notwithstanding paragraphs *a* to *c* of section 688, where the property referred to in that section is distributed to a taxpayer not resident in Canada, including a partnership other than a Canadian partnership, who is a beneficiary under the trust and the property is not a Canadian resource

property, excluded property or property that would be taxable Canadian property if the trust had been resident in Canada at no time in the taxation year in which the property was distributed, the following rules apply :

(a) the trust is deemed to have disposed of that property for proceeds equal to its fair market value at the time of that distribution;”;

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

“(c) the taxpayer is deemed to have disposed of all or part, as the case may be, of the taxpayer’s interest in the trust, for proceeds of disposition equal to the adjusted cost base to the taxpayer of the interest or part thereof, as the case may be, immediately before that distribution.”

84. Section 692.2 of the said Act, amended by section 293 of chapter 5 of the statutes of 2000, is again amended by replacing, in the French text, the portion before paragraph *a* by the following :

“692.2. Lorsqu’une fiducie pour l’environnement transfère, à un moment quelconque, un bien qui lui appartient à l’un de ses bénéficiaires en contrepartie de la totalité ou d’une partie de la participation de celui-ci à titre de bénéficiaire de la fiducie, les règles suivantes s’appliquent :”.

85. Section 726.4.17.11 of the said Act, amended by section 293 of chapter 5 of the statutes of 2000, is again amended by replacing, in the English text of subparagraph ii of subparagraph *a* of the second paragraph, the words “partner in” by the words “member of”.

86. (1) Section 726.9.9 of the said Act is replaced, in the English text, by the following :

“726.9.9. Where an election made under section 726.9.2 is filed with the Minister after the time prescribed in section 726.9.7, the election is deemed for the purposes of this Title, except section 726.9.12, to have been filed within the time prescribed if it is filed within two years after the expiry of the time limit and if an estimate of the penalty under section 726.9.12 is paid by the elector when the election is filed with the Minister.”

(2) Subsection 1 applies from the taxation year 1994.

87. (1) Section 739 of the said Act is amended by replacing paragraph *a* by the following :

“(a) a dividend or a taxable dividend does not include a capital gains dividend within the meaning assigned by sections 1106 and 1116 or any dividend received by a taxpayer on which the taxpayer was required to pay any prescribed tax;”.

(2) Subsection 1 has effect from 27 April 1995.

88. (1) Section 740.3 of the said Act is amended, in paragraph *b*, by replacing the words “prescribed stock exchange” by the words “Canadian stock exchange”.

(2) Subsection 1 has effect from 26 November 1999.

89. (1) Section 741 of the said Act is replaced by the following :

“741. Subject to sections 744.4 and 744.5, a taxpayer, other than a trust, shall subtract from the amount of any loss, determined without reference to this section, resulting from the disposition of a share that is capital property of the taxpayer, other than a share that is property of a partnership,

(*a*) where the taxpayer is an individual, the lesser of

i. the aggregate of all amounts each of which is a dividend received by the taxpayer on the share in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend, and

ii. the amount of the loss, determined without reference to this section, reduced by the aggregate of all taxable dividends received by the taxpayer on the share; and

(*b*) where the taxpayer is a corporation, the aggregate of all amounts received by the taxpayer on the share each of which is

i. a taxable dividend, to the extent of the amount of the dividend that was deductible under sections 738 to 745 or section 845 in computing the taxpayer’s taxable income for any taxation year,

ii. a dividend in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend, or

iii. a life insurance capital dividend.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995, other than

(1) a disposition that occurs pursuant to an agreement in writing made before 27 April 1995;

(2) a disposition of a share of the capital stock of a corporation that is made to the corporation if

(*a*) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust under which an individual, other than a trust, was a beneficiary,

(b) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual's spouse,

(c) it was reasonable to conclude on 26 April 1995 that a main purpose of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the corporation that issued the share, and

(d) the disposition is made by

i. the individual or the individual's spouse,

ii. the succession of the individual or of the individual's spouse within the succession's first taxation year,

iii. the particular trust where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition occurs before the end of the trust's third taxation year that begins after the spouse's death, or

iv. a trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual's spouse, or a trust described in section 440 of the said Act created by the individual's will in respect of the individual's spouse, before the end of the trust's third taxation year that begins after the spouse's death;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the individual's succession before 1 January 1997;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that day, that was made by the succession before 1 January 1997; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 where the individual is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation acquired in exchange for another share in a transaction to which any of sections 301, 301.1, 518 to 533 and 541 to 555.4 of the said Act applies is deemed to be the same share as the other share.

90. (1) The said Act is amended by inserting, after section 741, the following sections :

“741.1. A dividend shall not be included in the aggregate determined under subparagraph i of paragraph a of section 741 or paragraph b of that section where the taxpayer referred to in that section establishes that

(a) it was received when the taxpayer and persons with whom the taxpayer was not dealing at arm’s length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(b) it was received on a share that the taxpayer owned throughout the 365-day period that ended immediately before the disposition of the share by the taxpayer.

“741.2. Subject to sections 744.4 and 744.5, a taxpayer, other than a partnership or a mutual fund trust, who is a member of a partnership shall subtract from the taxpayer’s share of any loss of the partnership, determined without reference to this section, resulting from the disposition of a share held by a particular partnership as capital property,

(a) where the taxpayer is an individual, the lesser of

i. the aggregate of all amounts each of which is a dividend received by the taxpayer on the share in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend, and

ii. that share of the loss, determined without reference to this section, reduced by the aggregate of all taxable dividends received by the taxpayer on the share;

(b) where the taxpayer is a corporation, the aggregate of all amounts received by the taxpayer on the share each of which is

i. a taxable dividend, to the extent of the amount of the dividend that was deductible under sections 738 to 745 or section 845 in computing the taxpayer’s taxable income for any taxation year,

ii. a dividend in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend, or

iii. a life insurance capital dividend; and

(c) where the taxpayer is a trust, the aggregate of all amounts each of which is a taxable dividend or a life insurance capital dividend received on the share and designated under section 666 or 667 by the trust in respect of a beneficiary that was a corporation, partnership or trust.

“741.3. A dividend shall not be included in the aggregate determined under subparagraph *i* of paragraph *a* of section 741.2 or paragraph *b* or *c* of that section where the taxpayer referred to in that section establishes that

(*a*) it was received when the particular partnership referred to in section 741.2, the taxpayer and persons with whom the taxpayer was not dealing at arm’s length did not hold in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(*b*) it was received on a share that the particular partnership referred to in section 741.2 held throughout the 365-day period that ended immediately before the disposition of the share by the particular partnership.

“741.4. A taxable dividend received on a share and designated under section 666 by a particular trust in respect of a beneficiary that was a partnership or trust shall not be included in the aggregate determined under paragraph *c* of section 741.2 where the particular trust establishes that the dividend was received by an individual, other than a trust.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995, other than

(1) a disposition that occurs pursuant to an agreement in writing made before 27 April 1995;

(2) a disposition of a share of the capital stock of a corporation that is made to the corporation if

(*a*) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust under which an individual, other than a trust, was a beneficiary,

(*b*) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual’s spouse,

(*c*) it was reasonable to conclude on 26 April 1995 that a main purpose of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the corporation that issued the share, and

(*d*) the disposition is made by

i. the individual or the individual’s spouse,

ii. the succession of the individual or of the individual’s spouse within the succession’s first taxation year,

iii. the particular trust where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition occurs before the end of the trust's third taxation year that begins after the spouse's death, or

iv. a trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual's spouse, or a trust described in section 440 of the said Act created by the individual's will in respect of the individual's spouse, before the end of the trust's third taxation year that begins after the spouse's death;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the individual's succession before 1 January 1997;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that date, that was made by the succession before 1 January 1997; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 where the individual is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation acquired in exchange for another share in a transaction to which any of sections 301, 301.1, 518 to 533 and 541 to 555.4 of the said Act applies is deemed to be the same share as the other share.

91. (1) Section 742 of the said Act is replaced by the following:

“742. Subject to sections 744.4 and 744.5, a trust, other than a mutual fund trust, shall subtract from the amount of any loss, determined without reference to this section, resulting from the disposition of a share of the capital stock of a corporation that is capital property of the trust, the aggregate of

(a) the amount by which the lesser of the following amounts exceeds the amount determined under the second paragraph:

i. the aggregate of all amounts each of which is a dividend received by the trust on the share in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend, and



ii. the amount of the loss, determined without reference to this section, reduced by the aggregate determined in the third paragraph; and

(b) the aggregate of the following amounts each of which is received on the share and designated under section 666 or 667 by the trust in respect of a beneficiary that was a corporation, partnership or trust:

i. a taxable dividend, and

ii. a life insurance capital dividend.

Where the trust referred to in the first paragraph is an individual's succession, the share was acquired as a consequence of the individual's death and the disposition of the share occurs during the trust's first taxation year, the amount to which subparagraph *a* of the first paragraph refers is 1/4 of the lesser of

(a) the amount of the loss, determined without reference to this section, resulting from the disposition of the share; and

(b) the individual's capital gain from the disposition of the share immediately before the individual's death.

The aggregate to which subparagraph ii of subparagraph *a* of the first paragraph refers in respect of the trust referred to in that paragraph corresponds to the aggregate of all amounts each of which is the amount of a taxable dividend

(a) received by the trust on the share referred to in the first paragraph;

(b) received on the share referred to in the first paragraph and designated under section 666 by the trust in respect of a beneficiary who is an individual, other than a trust; or

(c) received on the share referred to in the first paragraph and designated under section 666 by the trust in respect of a beneficiary that was a corporation, partnership or another trust where the trust establishes that

i. it owned the share throughout the 365-day period that ended immediately before the disposition of the share by the trust, and

ii. the dividend was received while the trust, the beneficiary and persons not dealing at arm's length with the beneficiary owned in total less than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received."

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995, other than

(1) a disposition that occurs pursuant to an agreement in writing made before 27 April 1995 ;

(2) a disposition of a share of the capital stock of a corporation that is made to the corporation if

(a) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust under which an individual, other than a trust, was a beneficiary,

(b) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual's spouse,

(c) it was reasonable to conclude on 26 April 1995 that a main purpose of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the corporation that issued the share, and

(d) the disposition is made by

i. the individual or the individual's spouse,

ii. the succession of the individual or of the individual's spouse within the succession's first taxation year,

iii. the particular trust where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition occurs before the end of the trust's third taxation year that begins after the spouse's death, or

iv. a trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual's spouse, or a trust described in section 440 of the said Act created by the individual's will in respect of the individual's spouse, before the end of the trust's third taxation year that begins after the spouse's death ;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the individual's succession before 1 January 1997 ;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that day, that was made by the succession before 1 January 1997 ; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 where the individual is a trust described in

subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation acquired in exchange for another share in a transaction to which any of sections 301, 301.1, 518 to 533 and 541 to 555.4 of the said Act applies is deemed to be the same share as the other share.

92. (1) The said Act is amended by inserting, after section 742, the following sections :

“742.1. Notwithstanding section 742, where a trust has at any time acquired a share of the capital stock of a corporation because of section 653, the trust shall subtract from the amount of any loss, determined without reference to section 742 or this section, resulting from a disposition after that time, the aggregate of

(a) the amount by which the lesser of the following amounts exceeds the amount determined under the second paragraph :

i. the aggregate of all amounts each of which is a dividend received after that time by the trust on the share in respect of which an election was made under section 502 where section 502.0.1 does not deem the dividend to be a taxable dividend,

ii. the amount of the loss determined without reference to section 742 or this section, reduced by the aggregate determined in the third paragraph ; and

(b) the aggregate of all amounts each of which is a taxable dividend received on the share after that time and designated under section 666 by the trust in respect of a beneficiary that was a corporation, partnership or trust.

The amount to which subparagraph *a* of the first paragraph refers in respect of a trust referred to in that paragraph is  $1/4$  of the lesser of

(a) the amount of the loss, determined without reference to section 742 or this section, resulting from the disposition of the share referred to in the first paragraph ;

(b) the trust's capital gain from the disposition immediately before the time referred to in the first paragraph of the share referred to in that paragraph because of section 653.

The aggregate to which subparagraph ii of subparagraph *a* of the first paragraph refers in respect of the trust referred to in the said paragraph corresponds to the aggregate of all amounts each of which is the amount of a taxable dividend

(a) received by the trust on the share referred to in the first paragraph after the time of acquisition;

(b) received on the share referred to in the first paragraph after the time of acquisition and designated under section 666 by the trust in respect of a beneficiary who is an individual, other than a trust; or

(c) received on the share referred to in the first paragraph after the time of acquisition and designated under section 666 by the trust in respect of a beneficiary that was a corporation, partnership or another trust, where the trust establishes that

i. it owned the share throughout the 365-day period that ended immediately before the disposition of the share, and

ii. the dividend was received when the trust, the beneficiary and persons not dealing at arm's length with the beneficiary owned in total less than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received.

“742.2. No dividend received by a trust shall be included under subparagraph i of subparagraph *a* or subparagraph ii of subparagraph *b* of the first paragraph of section 742 or subparagraph i of subparagraph *a* of the first paragraph of section 742.1 where the trust establishes that the dividend

(a) was received

i. in any case where the dividend was designated under section 666 or 667 by the trust, when the trust, the beneficiary and persons with whom the beneficiary was not dealing at arm's length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received, or

ii. in any other case, when the trust and persons with whom the trust was not dealing at arm's length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(b) was received on a share that the trust owned throughout the 365-day period that ended immediately before the disposition.

“742.3. No taxable dividend received on a share and designated under section 666 by a trust in respect of a beneficiary that was a corporation, partnership or trust shall be included under subparagraph *b* of the first paragraph of section 742 or 742.1 where the trust establishes that the dividend was received by an individual, other than a trust, or

(a) was received when the trust, the beneficiary and persons with whom the beneficiary was not dealing at arm's length did not own in total more than

5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received ; and

(b) was received on a share that the trust owned throughout the 365-day period that ended immediately before the disposition.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995, other than

(1) a disposition that occurs pursuant to an agreement in writing made before 27 April 1995 ;

(2) a disposition of a share of the capital stock of a corporation that is made to the corporation if

(a) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust under which an individual, other than a trust, was a beneficiary,

(b) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual’s spouse,

(c) it was reasonable to conclude on 26 April 1995 that a main purpose of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the corporation that issued the share, and

(d) the disposition is made by

i. the individual or the individual’s spouse,

ii. the succession of the individual or of the individual’s spouse within the succession’s first taxation year,

iii. the particular trust where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition occurs before the end of the trust’s third taxation year that begins after the spouse’s death, or

iv. a trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual’s spouse, or a trust described in section 440 of the said Act created by the individual’s will in respect of the individual’s spouse, before the end of the trust’s third taxation year that begins after the spouse’s death ;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the individual's succession before 1 January 1997;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that date, that was made by the succession before 1 January 1997; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 where the individual is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation acquired in exchange for another share in a transaction to which any of sections 301, 301.1, 518 to 533 and 541 to 555.4 of the said Act applies is deemed to be the same share as the other share.

93. (1) Section 743 of the said Act is replaced by the following:

“743. Subject to sections 744.4 and 744.5, a taxpayer, other than a trust, shall subtract from the amount of any loss, determined without reference to this section, resulting from the disposition of a share of the capital stock of a corporation that is property, other than capital property, of the taxpayer,

(a) where the taxpayer is an individual and the corporation is resident in Canada, the aggregate of all dividends received by the individual on the share;

(b) where the taxpayer is a partnership, the aggregate of all dividends received by the partnership on the share; and

(c) where the taxpayer is a corporation, the aggregate of all amounts received by the corporation on the share each of which is

i. a taxable dividend, to the extent of the amount of the dividend that was deductible under this Title or section 845 in computing the corporation's taxable income for any taxation year, or

ii. a dividend, other than a taxable dividend.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

94. (1) The said Act is amended by inserting, after section 743, the following section:

“743.1. A dividend shall not be included in the aggregate determined under any of paragraphs *a* to *c* of section 743 where the taxpayer referred to in that section establishes that

(*a*) it was received when the taxpayer and persons with whom the taxpayer was not dealing at arm’s length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(*b*) it was received on a share that the taxpayer owned throughout the 365-day period that ended immediately before the disposition of the share by the taxpayer.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

95. (1) Section 744 of the said Act is replaced by the following :

“744. For the purposes of sections 83 to 85.6, a shareholder who holds a share of the capital stock of a corporation shall, in computing the fair market value of the share at any time, add to that value

(*a*) where the shareholder is a corporation, the aggregate of all amounts received by the shareholder on the share before that time each of which is

i. a taxable dividend, to the extent of the amount of the dividend that was deductible under this Title or section 845 in computing the shareholder’s taxable income for any taxation year, or

ii. a dividend, other than a taxable dividend ;

(*b*) where the shareholder is a partnership, the aggregate of all amounts each of which is a dividend received by the shareholder on the share before that time; and

(*c*) where the shareholder is an individual and the corporation is resident in Canada, the aggregate of all amounts each of which is a dividend received by the shareholder on the share before that time, or, where the shareholder is a trust, the aggregate of all amounts each of which is a dividend that would have been so received if this Part were read without reference to section 666.”

(2) Subsection 1 applies to taxation years that end after 26 April 1995.

96. (1) The said Act is amended by inserting, after section 744, the following section :

“744.O.1. A dividend shall not be included in the aggregate determined under any of paragraphs *a* to *c* of section 744 where the shareholder referred to in that section establishes that

(a) it was received when the shareholder and persons with whom the shareholder was not dealing at arm's length did not hold in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(b) it was received on a share that the shareholder held throughout the 365-day period that ended at the time referred to in section 744.”

(2) Subsection 1 applies to taxation years that end after 26 April 1995.

97. (1) Section 744.1 of the said Act is repealed.

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

98. (1) Section 744.2 of the said Act is replaced by the following:

“744.2. Subject to sections 744.4 and 744.5, a trust shall subtract from the amount of any loss, determined without reference to this section, resulting from the disposition of a share that is property, other than capital property, of the trust, the aggregate of

(a) the aggregate of all amounts each of which is a dividend received by the trust on the share, to the extent that the amount was not designated under section 667 in respect of a beneficiary of the trust; and

(b) the aggregate of all amounts each of which is a dividend received on the share that was designated under section 666 or 667 by the trust in respect of a beneficiary of the trust.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

99. (1) The said Act is amended by inserting, after section 744.2, the following sections:

“744.2.1. A dividend shall not be included in the aggregate determined under paragraph *a* of section 744.2 where the trust referred to in that section establishes that

(a) it was received when the trust and persons with whom the trust was not dealing at arm's length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received; and

(b) it was received on a share that the trust owned throughout the 365-day period that ended immediately before the disposition of the share by the trust.



“744.2.2. A dividend shall not be included in the aggregate determined under paragraph *b* of section 744.2 where the trust referred to in that section establishes that

(*a*) it was received when the trust, the beneficiary and persons with whom the beneficiary was not dealing at arm’s length did not own in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received ; and

(*b*) it was received on a share that the trust owned throughout the 365-day period that ended immediately before the disposition of the share by the trust.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

100. (1) Section 744.3 of the said Act is repealed.

(2) In the case provided in section 741 or 742 of the said Act, as replaced by sections 89 and 91, subsection 1 applies in respect of dispositions that occur after 26 April 1995, other than

(1) a disposition that occurs pursuant to an agreement in writing made before 27 April 1995 ;

(2) a disposition of a share of the capital stock of a corporation that is made to the corporation if

(*a*) on 26 April 1995, the share was owned by an individual, other than a trust, or by a particular trust under which an individual, other than a trust, was a beneficiary,

(*b*) on 26 April 1995, a corporation, or a partnership of which a corporation is a member, was a beneficiary of a life insurance policy that insured the life of the individual or the individual’s spouse,

(*c*) it was reasonable to conclude on 26 April 1995 that a main purpose of the life insurance policy was to fund, directly or indirectly, in whole or in part, a redemption, acquisition or cancellation of the share by the corporation that issued the share, and

(*d*) the disposition is made by

i. the individual or the individual’s spouse,

ii. the succession of the individual or of the individual’s spouse within the succession’s first taxation year,

iii. the particular trust where it is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in

subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, the spouse is the beneficiary referred to in subparagraph *a* and the disposition occurs before the end of the trust's third taxation year that begins after the spouse's death, or

iv. a trust described in subparagraph *b* of the second paragraph of section 454 of the said Act created by the individual in respect of the individual's spouse, or a trust described in section 440 of the said Act created by the individual's will in respect of the individual's spouse, before the end of the trust's third taxation year that begins after the spouse's death;

(3) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 that was made by the individual's succession before 1 January 1997;

(4) a disposition of a share of the capital stock of a corporation owned by a succession on 26 April 1995, the first taxation year of which ended after that date, that was made by the succession before 1 January 1997; or

(5) a disposition of a share of the capital stock of a corporation owned by an individual on 26 April 1995 where the individual is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the said Act or in subparagraph *a.1* of the first paragraph of that section 653 in respect of a spouse, that was made by the trust after the spouse's death and before 1 January 1997.

(3) In the case provided in section 743 or 744.2 of the said Act, as replaced by sections 93 and 98, subsection 1 applies in respect of dispositions that occur after 26 April 1995.

(4) In the case provided in section 744 of the said Act, as replaced by section 95, subsection 1 applies to taxation years that end after 26 April 1995.

(5) For the purposes of paragraph 2 of subsection 2 and this subsection, a share of the capital stock of a corporation acquired in exchange for another share in a transaction to which any of sections 301, 301.1, 518 to 533 and 541 to 555.4 of the said Act applies is deemed to be the same share as the other share.

101. (1) Section 744.4 of the said Act is replaced by the following :

“744.4. The rules set out in sections 741 to 743 and 744.2 do not apply in respect of the disposition of a share by a taxpayer in a taxation year that begins after 31 October 1994 where the share is a mark-to-market property for the year and the taxpayer is a financial institution in the year or where section 744.6 applies in respect of the disposition.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

102. (1) Section 744.5 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“744.5. In determining whether any of sections 741 to 743 and 744.2 apply to reduce a loss of a taxpayer from the disposition of a share, this Part shall be read without reference to paragraph *b* of sections 741.1, 741.3, 742.2, 742.3, 743.1, 744.2.1 and 744.2.2 and subparagraph *i* of subparagraph *c* of the third paragraph of sections 742 and 742.1 where”.

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

103. (1) Section 744.6 of the said Act is amended

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

“(b) the disposition is an actual disposition, the taxpayer did not hold the share throughout the 365-day period that ended immediately before the disposition, and the share was a mark-to-market property of the taxpayer for a taxation year that begins after 31 October 1994 and in which the taxpayer was a financial institution.”;

(2) by replacing subparagraph 4 of subparagraph *ii* of subparagraph *b* of the third paragraph by the following :

“(4) a dividend, other than a taxable dividend, received by the taxpayer on the share;”;

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

“ii. where the taxpayer is a corporation or trust, a loss of the taxpayer on a deemed disposition of the share before the particular time was reduced because of section 741, 742, 743 or 744.2, or”.

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

104. (1) The said Act is amended by inserting, after section 744.6, the following section :

“744.6.1. A dividend shall not be included in the aggregate determined under subparagraph *ii* of subparagraph *b* of the third paragraph of section 744.6 in respect of a taxpayer referred to in that section unless

(a) the dividend was received when the taxpayer and persons with whom the taxpayer was not dealing at arm’s length held in total more than 5% of the issued shares of any class of the capital stock of the corporation from which the dividend was received, or

(b) the share was not held by the taxpayer throughout the 365-day period that ended before the disposition of the share by the taxpayer.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

105. (1) Section 745 of the said Act is replaced by the following :

“745. Subject to the second and third paragraphs, where a share, in this section referred to as the “new share”, has been acquired in exchange for another share, in this section referred to as the “old share”, in a transaction to which any of sections 301, 301.1 and 536 to 555.4 applies, for the purposes of any of sections 741 to 742.3 in respect of a disposition of the new share, the new share is deemed to be the same share as the old share.

For the purposes of the first paragraph, any dividend received on the old share is deemed for the purposes of sections 741 to 742.3 to have been received on the new share only to the extent of the proportion of the dividend that the shareholder’s adjusted cost base of the new share immediately after the exchange is of the shareholder’s adjusted cost base of all new shares, immediately after the exchange, acquired in exchange for the old share.

For the purposes of the first paragraph, the amount by which a loss from the disposition of the new share is reduced because of the application of this section shall not exceed the proportion of the shareholder’s adjusted cost base of the old share immediately before the exchange that the shareholder’s adjusted cost base of the new share immediately after the exchange is of the shareholder’s adjusted cost base of all new shares, immediately after the exchange, acquired in exchange for the old share.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

106. (1) Section 752.16 of the said Act is amended by replacing “782” by “784”.

(2) Subsection 1 applies to taxation years that begin after 26 April 1995.

107. (1) Section 767 of the said Act, amended by section 68 of chapter 39 of the statutes of 2000, is again amended by replacing, in the first paragraph, “subsection 2” by “the second paragraph”.

(2) Subsection 1 has effect from 27 April 1995.

108. (1) Section 776.58 of the said Act is replaced by the following :

“776.58. For the purposes of section 776.51, section 497 shall be read without reference to the second paragraph thereof.”

(2) Subsection 1 has effect from 27 April 1995.

109. Section 776.72 of the said Act is amended, in the English text,

(1) by replacing the words “film properties” by the words “film property” in the following provisions :

— the portion of the first paragraph before subparagraph *a* ;

— subparagraphs *i* and *ii* of subparagraph *b* of the first paragraph ;

(2) by replacing, in the portion of the first paragraph before subparagraph *a*, the words “in computing income” by the words “in computing the individual’s income” ;

(3) by replacing, in subparagraph *a* of the first paragraph, the words “the aggregate of the amounts” by the words “the aggregate of all amounts” ;

(4) by replacing, in the second paragraph, the words “in computing income” by the words “in computing its income”.

110. (1) Section 780 of the said Act is amended

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

“780. Notwithstanding section 782 and paragraphs *c* and *d* of the first paragraph of section 784, where at any time a taxpayer is discharged absolutely from bankruptcy, the following rules apply :” ;

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

“(b) in computing the taxpayer’s tax otherwise payable for any taxation year that ends after that time, no amount shall be deducted under Chapter I.0.2.1 of Title I of Book V in respect of a gift made before the day on which the taxpayer became bankrupt, under section 752.0.18.10 for tuition fees and examination fees paid in respect of a taxation year that ended before that time, or under section 752.12 in respect of a taxation year that ended before that time.”

(2) Subsection 1 applies in respect of bankruptcies that occur after 26 April 1995. However, where paragraph *b* of section 780 of the said Act, enacted by paragraph 2 of subsection 1, applies to taxation years that end before 1 January 1997, it shall be read as follows :

“(b) in computing the taxpayer’s tax otherwise payable for any taxation year that ends after that time, no amount shall be deducted under Chapter I.0.2.1 of Title I of Book V in respect of a gift made before the day on which the taxpayer became bankrupt, or under section 752.12 in respect of a taxation year that ended before that time.”

111. (1) Section 782 of the said Act is amended

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

“(a) in Book IV, except those permitted by section 725.2 or sections 725.3 to 725.5 or by Title VI.5 in respect of an amount included in computing income under this section for the year and those permitted by sections 727 to 737 in respect of a loss of the individual for any year that ended before the individual was discharged absolutely from bankruptcy;”;

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

“(b) in Chapters I.0.1, I.0.2, I.0.3 and I.0.4 of Title I of Book V;”;

(3) by inserting, after paragraph *b*, the following paragraph :

“(b.0.1) in Chapter I.0.2.1 of Title I of Book V in respect of a gift made by the individual on or after the day the individual became bankrupt.”

(2) Subsection 1 applies in respect of bankruptcies that occur after 26 April 1995.

112. (1) Section 784 of the said Act is amended by replacing subparagraphs *c* and *d* of the first paragraph by the following :

“(c) in computing the individual’s taxable income for the year, the individual was not entitled to deduct an amount under section 725.2 or sections 725.3 to 725.5 or under Title VI.5 of Book IV in respect of an amount included in computing income under section 782, or an amount under sections 727 to 737; and

“(d) in computing the individual’s tax payable for the year, the individual was not entitled to deduct an amount under Chapter I.0.2.1 of Title I of Book V in respect of a gift made before the day the individual became bankrupt, to take into account in computing a deduction under section 752.0.18.10 any tuition fees or examination fees paid in respect of a year preceding the year in respect of which the return is filed, or to deduct an amount under section 752.12.”

(2) Subsection 1 applies in respect of bankruptcies that occur after 26 April 1995. However, where subparagraph *d* of the first paragraph of section 784 of the said Act, enacted by subsection 1, applies to a taxation year that ended before 1 January 1997, it shall be read as follows :

“(d) in computing the individual’s tax payable for the year, the individual was not entitled to deduct an amount under Chapter I.0.2.1 of Title I of Book V in respect of a gift made before the day the individual became bankrupt, or to deduct an amount under section 752.12.”

113. (1) Section 785.4 of the said Act, amended by section 293 of chapter 5 of the statutes of 2000, is again amended by replacing paragraph *b* of the definition of “qualifying exchanges” in the first paragraph by the following:

“(b) no person disposing of shares in the transferor to the transferor within that 60-day period, otherwise than pursuant to the exercise of a statutory right of dissent, receives any consideration for the shares other than units of the transferee, and;”.

(2) Subsection 1 has effect from 1 July 1994.

114. (1) Section 785.5 of the said Act is amended

(1) by inserting, after paragraph *m*, the following paragraph:

“(m.1) where the transferor is a mutual fund corporation, the following rules apply:

i. for the purposes of section 1118, the transferor is deemed in respect of any share disposed of in accordance with paragraph *j* to be a mutual fund corporation at the time of the disposition, and

ii. for the purposes of Part IV, the transferor’s taxation year that, but for this paragraph, would have included the transfer time is deemed to have ended immediately before the transfer time and nothing in this paragraph shall affect the computation of any amount determined under this Part;”;

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

“(n) subject to subparagraph i of paragraph *m.1*, the transferor is, notwithstanding sections 1117 and 1120, deemed to be neither a mutual fund corporation nor a mutual fund trust for taxation years beginning after the transfer time.”

(2) Subsection 1 has effect from 1 July 1994. However, where paragraphs *m.1* and *n* of section 785.5 of the said Act, enacted by subsection 1, apply before 30 October 1996, they shall be read with the words “société d’investissement à capital variable” and “fiducie de fonds commun de placements” replaced by the words “corporation de fonds mutuels” and “fiducie de fonds mutuels”, respectively, wherever they appear in the French text.

115. (1) Section 785.6 of the said Act is amended by replacing, in the fourth paragraph, “785.5” by “785.4”.

(2) Subsection 1 applies in respect of transfers that occur after 25 March 1997.

116. (1) Section 805 of the said Act is amended, in subparagraph *a* of the first paragraph, by inserting, after the words “Her Majesty in right of a province”, “, other than Québec,”.

(2) Subsection 1 has effect from 12 June 1998.

117. (1) Section 851.22.1 of the said Act is amended by replacing the definition of “specified debt obligation” in the first paragraph by the following:

““specified debt obligation” of a taxpayer means the interest held by the taxpayer in a loan, bond, debenture, note, obligation secured by mortgage, agreement of sale or any other similar indebtedness, or a debt obligation, where the taxpayer purchased the interest, other than an interest in

(a) an income bond, an income debenture, a small business bond, a development bond or a prescribed property; or

(b) an instrument issued by or made with a person to whom the taxpayer is related or with whom the taxpayer does not otherwise deal at arm’s length, or in which the taxpayer has a significant interest.”

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

118. (1) Section 851.22.4 of the said Act is amended by replacing the portion before paragraph *a* by the following:

“851.22.4. Subject to sections 851.22.5 and 851.22.5.1, where a taxpayer that is, in a taxation year, a financial institution holds a specified debt obligation at any time in the year, the following rules apply:”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

119. (1) The said Act is amended by inserting, after section 851.22.4, the following section:

“851.22.4.1. Subject to section 851.22.5, where a taxpayer who holds a specified debt obligation at any time in a particular taxation year in which the taxpayer is a financial institution has not included, in computing the taxpayer’s income for a preceding taxation year, all or part of an amount required by section 92 or paragraph *a* of section 851.22.4 to be so included in respect of the obligation, that amount or that part of the amount shall be included by the taxpayer in computing the taxpayer’s income for the particular year, to the extent that it was not included in computing the taxpayer’s income for a preceding taxation year.”

(2) Subsection 1 applies to taxation years that end after 22 February 1994.



120. (1) The said Act is amended by inserting, after section 851.22.5, the following section :

“851.22.5.1 Section 851.22.4 does not apply to a taxpayer in respect of a specified debt obligation for the part of a taxation year throughout which the obligation is impaired where an amount in respect of the obligation is deductible because of paragraph *b* of section 140 in computing the taxpayer’s income for the year.”

(2) Subsection 1 applies to taxation years that end

(1) after 30 September 1997 ; or

(2) where an election under paragraph 2 of subsection 2 of section 22 was made by the taxpayer, after 31 December 1995 and before 1 October 1997.

121. (1) Section 851.22.6 of the said Act is amended by replacing, in the second paragraph, the words “This division” by the words “This chapter”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

122. (1) Section 851.22.7 of the said Act is amended by replacing paragraph *b* of the definition of “tax basis” by the following :

“(b) an amount included under section 92, 123 or 851.22.4.1 or paragraph *a* of section 851.22.4 in respect of the obligation in computing the taxpayer’s income for a taxation year that began before the particular time ;”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

123. (1) Section 851.22.8 of the said Act is amended by replacing paragraph *b* by the following :

“(b) the amount of a payment received by the taxpayer under the obligation at or before the particular time, other than a fee or similar payment and the proceeds of disposition of the obligation ;”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

124. (1) Section 851.22.9 of the said Act is amended by replacing subparagraph *c* of the second paragraph by the following :

“(c) C is the taxpayer’s transition amount in respect of the disposition of the obligation.”

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

125. (1) Section 851.22.10 of the said Act is amended by replacing paragraph *a* by the following :

“(a) except as provided by this division and by paragraph *d* of section 484.12, no amount shall be included or deducted in respect of the disposition in computing the taxpayer’s income; and”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

126. (1) Section 851.22.11 of the said Act is amended by replacing paragraphs *a* to *d* by the following:

“(a) where the transition amount in respect of the disposition of the obligation is positive, it shall be included in computing the taxpayer’s income for the year;

“(b) where the transition amount in respect of the disposition of the obligation is negative, such transition amount expressed as a positive number shall be deducted in computing the taxpayer’s income for the year;

“(c) where the taxpayer has a gain from the disposition of the obligation, there shall be included in computing the taxpayer’s income for the year the current amount of the gain and, in computing the taxpayer’s income for each taxation year that ends on or after the day of disposition the amount allocated, in accordance with prescribed rules, to the year in respect of the residual portion of the gain; and

“(d) where the taxpayer has a loss from the disposition of the obligation, there shall be deducted in computing the taxpayer’s income for the year the current amount of the loss and, in computing the taxpayer’s income for each taxation year that ends on or after the day of disposition the amount allocated, in accordance with prescribed rules, to the year in respect of the residual portion of the loss.”

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

127. (1) Section 851.22.12 of the said Act is replaced by the following:

“851.22.12 For the purposes of section 851.22.11 and this section,

(a) the current amount of a taxpayer’s gain or loss from the disposition of a specified debt obligation is

i. where the taxpayer has a gain from the disposition of the obligation, the part of the gain that is reasonably attributable to a material increase in the probability, or perceived probability, that the debtor will make all payments as required by the obligation, and

ii. where the taxpayer has a loss from the disposition of the obligation, the negative amount that the taxpayer claims not exceeding in magnitude the part of the loss that is reasonably attributable to a default by the debtor or a material decrease in the probability, or perceived probability, that the debtor will make all payments as required by the obligation; and

(b) the residual portion of a taxpayer's gain or loss from the disposition of a specified debt obligation is the amount by which the gain or loss exceeds the current amount of the gain or loss."

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

128. (1) Section 851.22.13 of the said Act is amended

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

"(b) there shall be included in computing the taxpayer's income for the year the amount by which the taxpayer's proceeds of disposition exceed the tax basis of the obligation to the taxpayer immediately before the disposition; and

"(c) there shall be deducted in computing the taxpayer's income for the year the amount by which the tax basis of the obligation to the taxpayer immediately before the disposition exceeds the taxpayer's proceeds of disposition.";

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

"(b) the disposition occurred before 1 January 1995, after 31 December 1994 in connection with the transfer of all or part of a business of the taxpayer to a person or partnership, because of paragraph *c* of section 851.22.23, or before 1 January 1996 where the taxpayer, other than a life insurance corporation, elects to have this section apply by notifying the Minister of Revenue in writing on or before the taxpayer's filing-due date for the taxpayer's taxation year that includes 23 May 2001.";

(3) by adding, after the second paragraph, the following paragraph:

"Where a taxpayer elects under subparagraph *b* of the second paragraph, the Minister shall, for the purposes of Part I and notwithstanding sections 1010 to 1011, make such assessment or reassessment of the taxpayer's tax, interest and penalties as is necessary for any taxation year to give effect to the election."

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

129. (1) The said Act is amended by inserting, after section 851.22.13, the following sections:

"851.22.13. Notwithstanding section 175.1.1, where a taxpayer that holds a specified debt obligation receives a penalty or bonus because of the repayment before maturity of all or part of the principal amount of the debt obligation, the payment is deemed to be received by the taxpayer as proceeds of disposition of the obligation.

“851.22.13.2 For the purposes of this division, where a taxpayer receives a payment, other than proceeds of disposition, under a specified debt obligation on or after the disposition of the obligation, the payment is deemed not to have been so received at that time but to have been so received immediately before the disposition.”

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

130. (1) Sections 851.22.18 to 851.22.20 of the said Act are replaced by the following:

“851.22.18 Where a taxpayer deducts an amount under section 851.22.17 in computing the taxpayer’s income, there shall be included in computing the taxpayer’s income for each taxation year that begins before 1 January 1999 and ends after 30 October 1994 the aggregate of all amounts prescribed for the year.

“851.22.19 Such amount as a taxpayer elects, not exceeding a prescribed amount in respect of capital properties disposed of by the taxpayer because of section 851.22.15, is deemed to be an allowable capital loss of the taxpayer for its taxation year that includes 31 October 1994 from the disposition of property or, where the taxpayer was not resident in Canada at any time in the year, from the disposition of taxable Québec property.

“851.22.20 A taxpayer that elects an amount under section 851.22.19 is deemed, for each taxation year that begins before 1 January 1999 and ends after 30 October 1994, to have a taxable capital gain for the year from the disposition of property or, where the taxpayer was not resident in Canada at any time in the year, from the disposition of taxable Québec property equal to the aggregate of all amounts prescribed for the year.”

(2) Subsection 1 applies to taxation years that end after 30 October 1994.

131. (1) The said Act is amended by inserting, after section 851.22.28, the following sections:

“851.22.29 A taxpayer that is a financial institution in its first taxation year that ends after 22 February 1994, may elect, by notifying the Minister in writing on or before the taxpayer’s filing-due date for the taxpayer’s taxation year that includes 23 May 2001 or, where that period has expired, within 90 days after the day on which a notice of assessment of tax payable under this Part for the year, notification that no tax is payable under this Part for the year or notification that an election made by the taxpayer under this section is deemed by section 851.22.30 or 851.22.31 not to have been made is mailed to the taxpayer, that

(a) each property of the taxpayer that is a property described in the second paragraph is deemed to have been disposed of by the taxpayer at the end of the taxpayer’s last taxation year that ended before 23 February 1994, in this

section referred to as the “particular time”, for proceeds of disposition equal to, and to have been reacquired by the taxpayer immediately after the particular time at a cost equal to, the lesser of

- i. the fair market value of the property at the particular time, and
- ii. the greater of the adjusted cost base to the taxpayer of the property immediately before the particular time and the amount designated by the taxpayer in the election in respect of the property ;

(b) each property of the taxpayer that is a property described in the third paragraph is deemed to have been disposed of by the taxpayer at the particular time for proceeds of disposition equal to, and to have been reacquired by the taxpayer immediately after the particular time at a cost equal to, the greater of

- i. the fair market value of the property at the particular time, and
- ii. the lesser of the adjusted cost base to the taxpayer of the property immediately before the particular time and the amount designated by the taxpayer in the election in respect of the property.

A property to which subparagraph *a* of the first paragraph refers

(a) was a capital property, other than a depreciable property, of the taxpayer at the particular time ;

(b) was a mark-to-market property for, or a specified debt obligation in, the taxpayer’s first taxation year that begins after the particular time ;

(c) had a fair market value at the particular time greater than its adjusted cost base to the taxpayer at that time ; and

(d) is designated by the taxpayer in the election.

A property to which subparagraph *b* of the first paragraph refers

(a) was a capital property, other than a depreciable property, of the taxpayer at the particular time ;

(b) was not a mark-to-market property for, or a specified debt obligation in, the taxpayer’s first taxation year that begins after the particular time ;

(c) had an adjusted cost base to the taxpayer at the particular time greater than its fair market value at that time ; and

(d) is designated by the taxpayer in the election.

Where a taxpayer elects under this section, the Minister shall, for the purposes of Part I and notwithstanding sections 1010 to 1011, make such

assessment or reassessment of the taxpayer's tax, interest and penalties as is necessary for the taxpayer's last taxation year that ended before 23 February 1994 to give effect to the election.

“851.22.30. Where a taxpayer has made an election under section 851.22.29 in which a property was designated under subparagraph *d* of the second paragraph of that section, the election is deemed not to have been made where the amount that would be the taxpayer's taxable capital gains from dispositions of property for the taxpayer's last taxation year that ended before 23 February 1994, if this section and section 851.22.31 did not apply, exceeds the aggregate of

(a) the amount that would be the taxpayer's allowable capital losses for the year from dispositions of property if this section and section 851.22.31 did not apply;

(b) the maximum amount that would have been deductible in computing the taxpayer's taxable income for the year in respect of the taxpayer's net capital losses for preceding taxation years if there were sufficient taxable capital gains for the year from dispositions of property; and

(c) the amount by which the amount that would be the taxpayer's taxable capital gains for the taxpayer's last taxation year that ended before 23 February 1994 from dispositions of property if no election were made under section 851.22.29 exceeds the aggregate of

i. the amount that would be the taxpayer's allowable capital losses for the year from dispositions of property if no election were made under section 851.22.29, and

ii. the maximum amount that would be deductible in computing the taxpayer's taxable income for the year in respect of the taxpayer's net capital losses for preceding taxation years if no election were made under section 851.22.29.

“851.22.31. Where a taxpayer has made an election under section 851.22.29 in which a property was designated under subparagraph *d* of the third paragraph of that section, the election is deemed not to have been made where

(a) the aggregate of the amounts determined under paragraphs *a* and *b* of section 851.22.30 in respect of the taxpayer exceeds the amount that would be the taxpayer's taxable capital gains from dispositions of property for the taxpayer's last taxation year that ended before 23 February 1994, if this section and section 851.22.30 did not apply; or

(b) the aggregate of all amounts each of which would, if this section did not apply, be the taxpayer's allowable capital loss for the taxpayer's last taxation year that ended before 23 February 1994 from the deemed disposition

of the property under subparagraph *b* of the first paragraph of section 851.22.29 exceeds the total of all amounts each of which is the taxpayer's taxable capital gain for the year from the deemed disposition of the property under subparagraph *a* of the first paragraph of section 851.22.29."

(2) Subsection 1 applies from the taxation year 1993.

132. (1) The said Act is amended by inserting, after section 851.37, the following :

**"TITLE VIII**

**"COST OF A TAX SHELTER INVESTMENT**

**"CHAPTER I**

**"DEFINITIONS AND GENERAL PROVISIONS**

"851.38. In this Title,

"expenditure" means an outlay or expense or the cost or capital cost of a property ;

"limited partner" has the meaning that would be assigned by section 613.6 if that section were read without reference to "if the member's partnership interest is not an exempt interest, within the meaning assigned by section 613.7, at that time and" ;

"limited-recourse amount" means the unpaid principal amount of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently ;

"taxpayer" includes a partnership ;

"tax shelter investment" means

(a) a property that is a tax shelter for the purposes of section 1079.1 ; or

(b) a taxpayer's interest in a partnership where

i. an interest in the taxpayer is a tax shelter investment and the taxpayer's partnership interest would be a tax shelter investment if

(1) this Act were read without reference to this paragraph and to " , having regard to statements or representations made or proposed to be made in connection with the property," in the definition of "tax shelter" in the first paragraph of section 1079.1, and

(2) the references, in subparagraphs *a* and *b* of the second paragraph of section 1079.1, to “represented” and to “is represented” were read as “that can reasonably be expected” and “can reasonably be expected”, respectively,

ii. another interest in the partnership is a tax shelter investment, or

iii. the taxpayer’s interest in the partnership entitles the taxpayer, directly or indirectly, to a share of the income or loss of a particular partnership where

(1) another taxpayer holding a partnership interest is entitled, directly or indirectly, to a share of the income or loss of the particular partnership, and

(2) that other taxpayer’s partnership interest is a tax shelter investment.

“851.39. For the purposes of this Title, an at-risk adjustment in respect of an expenditure of a particular taxpayer, other than the cost of a partnership interest to which sections 613.2 to 613.4 apply, is, subject to the second paragraph, any amount or benefit that the particular taxpayer, or another taxpayer not dealing at arm’s length with the particular taxpayer, is entitled, either immediately or in the future and either absolutely or contingently, to receive or to obtain, whether by way of reimbursement, compensation, revenue guarantee, proceeds of disposition, loan or any other form of indebtedness, or in any other form or manner whatever, granted or to be granted for the purpose of reducing the impact, in whole or in part, of

(a) any loss that the taxpayer may sustain in respect of the expenditure ; or

(b) where the expenditure is the cost or capital cost of a property, any loss from the holding or disposition of the property.

An at-risk adjustment does not include an amount or benefit to the extent that

(a) the amount or benefit is, in respect of the taxpayer, referred to in paragraph *e* of section 399, paragraph *h* of section 412 or paragraph *e* of section 418.6; or

(b) the entitlement to the amount or benefit arises

i. because of a contract of insurance with an insurance corporation dealing at arm’s length with the taxpayer, and, where the expenditure is the cost of an interest in a partnership, with each member of the partnership, under which the taxpayer is insured against any claim arising as a result of a liability incurred in the ordinary course of carrying on the business of the taxpayer or the partnership,

ii. as a consequence of the death of the taxpayer,



iii. in respect of an amount not included in the expenditure, determined without reference to paragraph *b* of section 851.41, or

iv. by reason of an excluded obligation, as defined in the regulations made under section 359.1, in relation to a share issued to the taxpayer or, where the expenditure is the cost of an interest in a partnership, to the partnership.

“851.40. For the purposes of section 851.39,

(a) the amount or benefit to which a taxpayer is at any time entitled and that is provided by way of an agreement or other arrangement under which the taxpayer has a right, either immediately or in the future and either absolutely or contingently, otherwise than as a consequence of the death of the taxpayer, to acquire property shall not be considered to be less than the fair market value of the property at that time; and

(b) the amount or benefit to which a taxpayer is at any time entitled and that is provided by way of a guarantee, security or similar covenant in respect of any loan or other obligation of the taxpayer shall not be considered to be less than the aggregate of the unpaid amount of the loan or obligation at that time and all other amounts outstanding in respect of the loan or obligation at that time.

## “CHAPTER II

### “COMPUTATION OF THE COST OF A TAX SHELTER INVESTMENT

“851.41. Notwithstanding any other provision of this Part, the amount of any expenditure that is a taxpayer’s tax shelter investment, the cost or capital cost of such tax shelter or the amount of any expenditure of a taxpayer an interest in which is a tax shelter investment, shall be reduced, where applicable, to the amount by which the amount of the taxpayer’s expenditure otherwise determined exceeds the aggregate of

(a) any limited-recourse amount of the taxpayer and of any other taxpayer not dealing at arm’s length with the taxpayer that may reasonably be considered to relate to the expenditure;

(b) the taxpayer’s at-risk adjustment in respect of the expenditure; and

(c) each amount that is a limited-recourse amount, or an at-risk adjustment, that may reasonably be considered to relate to the expenditure and that is determined under this Title when this Title is applied to any other taxpayer who deals at arm’s length with and holds, directly or indirectly, an interest in the taxpayer.

“851.42. For the purposes of this Title, the unpaid principal of an indebtedness is deemed to be a limited-recourse amount unless

(a) at the time the indebtedness was incurred, *bona fide* arrangements, evidenced in writing, were made for repayment by the debtor of the indebtedness and all interest on the indebtedness within a reasonable period not exceeding 10 years;

(b) the indebtedness bears interest at a rate equal to or greater than the lesser of

i. the prescribed rate of interest in effect at the time the indebtedness was incurred, and

ii. the prescribed rate of interest applicable during the term of the indebtedness; and

(c) the interest is payable at least annually and is paid in respect of the indebtedness by the debtor not later than 60 days after the end of each taxation year of the debtor that ends in the period referred to in paragraph a.

“851.43. For the purposes of this Title, the unpaid principal of an indebtedness is deemed to be a limited-recourse amount of a taxpayer that is a partnership, where the recourse against any member of the partnership in respect of the indebtedness is limited, either immediately or in the future and either absolutely or contingently.

“851.44. Where at any time a taxpayer has paid an amount, in this section referred to as the “repaid amount”, on account of the principal amount of an indebtedness that was, before that time, the unpaid principal amount of a loan or any other form of indebtedness in respect of an expenditure of the taxpayer to which the first paragraph of section 851.39 applies, in this section referred to as the “former amount or benefit”, the following rules apply:

(a) at all times before that time, the former amount or benefit is considered to have been an amount or benefit referred to in the first paragraph of section 851.39 in respect of the taxpayer; and

(b) subject to section 851.41, the expenditure is deemed to have been made or incurred at that time by the payment of, and to the extent of, the repaid amount.

“851.45. Where at any time a taxpayer has paid an amount, in this section referred to as the “repaid amount”, on account of the principal amount of an indebtedness that was, before that time, a limited-recourse amount, in this section referred to as the “former limited-recourse indebtedness”, relating to an expenditure of the taxpayer, the following rules apply:

(a) at all times before that time, the former limited-recourse indebtedness is considered to have been a limited-recourse amount; and

(b) subject to section 851.41, the expenditure is deemed to have been made or incurred at that time by the payment of, and to the extent of, the repaid amount.

“851.46. Sections 851.42 and 851.43 do not apply to an indebtedness the principal of which is repaid by a taxpayer not later than 60 days after the indebtedness was incurred and that would otherwise be considered to be a limited-recourse amount solely because of the application of any of those sections unless

(a) any portion of the repayment is made with a limited-recourse amount; or

(b) the repayment may reasonably be considered to be part of a series of indebtedness and repayments that ends more than 60 days after the indebtedness was incurred.

“851.47. For the purposes of paragraph *a* of section 851.42, a debtor is deemed not to have made arrangements to repay an indebtedness within 10 years where the debtor’s arrangement to repay can reasonably be considered to be part of a series of indebtedness and repayments that ends more than 10 years after it begins.

### “CHAPTER III

#### “ADMINISTRATION

“851.48. For the purposes of this Title, the unpaid principal of an indebtedness that relates to a taxpayer’s expenditure is deemed to be a limited-recourse amount relating to the expenditure, where it may reasonably be considered that information relating to the indebtedness is available outside Canada and the Minister is not satisfied that the unpaid principal of the indebtedness is not a limited-recourse amount unless

(a) the information is provided to the Minister; or

(b) the information is located in a country with which the Government of Québec has entered into a tax agreement that has force of law in Québec and includes a provision under which the Minister can obtain the information.

“851.49. For the purposes of this Title, a taxpayer is deemed not to be dealing at arm’s length with another taxpayer where it may reasonably be considered that information relating to whether the taxpayer and the other taxpayer are not dealing with each other at arm’s length is available outside Canada and the Minister is not satisfied that the taxpayer is dealing at arm’s length with the other taxpayer unless

(a) the information is provided to the Minister; or

(b) the information is located in a country with which the Government of Québec has entered into a tax agreement that has force of law in Québec and includes a provision under which the Minister can obtain the information.

“851.50. Notwithstanding section 1010, the Minister may, to give effect to the provisions of this Title, in respect of a taxpayer, redetermine the tax, interest and penalties payable under this Part and make a reassessment or an additional assessment, as the case may be,

(a) within thirteen years after the later of the day of mailing of a notice of an original assessment or of a notification that no tax is payable for a taxation year in which an indebtedness that is a limited-recourse amount arose or the day on which a fiscal return for the taxation year is filed;

(b) within fourteen years after the day referred to in paragraph *a* if, at the end of the taxation year concerned, the taxpayer is a mutual fund trust or a corporation other than a Canadian controlled private corporation.”

(2) Subsection 1 applies, subject to subsections 3 to 7, in respect of property acquired and of outlays and expenses made or incurred by a taxpayer after 30 November 1994.

(3) Subsection 1 does not apply where

(1) the property was acquired, or the outlay or expense was made or incurred, before 1 January 1995 pursuant to an agreement in writing made by the taxpayer before 1 December 1994, or the property is

(a) a prescribed film production within the meaning of section 613.3R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1), as it read before its repeal, where

i. the principal photography of the production, or, in the case of a production that is a television series, one episode of the series, began before 1 January 1995, and

ii. the principal photography of the production was completed before 2 March 1995, or

(b) an interest in a partnership, all or substantially all of the property of which is a production referred to in subparagraph *a*, acquired before 1 January 1995 by a taxpayer that is a partnership;

(2) in the case of an interest that is a tax shelter for which Book X.1 of Part I of the said Act requires an identification number to be obtained, an identification number was obtained before 1 December 1994; and

(3) there is no agreement or other arrangement under which the taxpayer's obligations in respect of the interest can be changed, reduced or waived if

there is an amendment to the said Act or if there is an adverse assessment under the said Act.

(4) Subsection 1 does not apply in respect of prescribed revenue guarantees within the meaning of section 613.3R1 of the Regulation respecting the Taxation Act, as it read before its repeal, that were granted before 1 January 1996.

(5) Paragraph *b* of section 851.41 of the said Act, enacted by subsection 1, does not apply

(1) to property acquired, or outlays or expenses made or incurred, by a taxpayer before 27 April 1995,

(2) to property acquired, or outlays or expenses made or incurred, by a taxpayer before 1 January 1996 pursuant to a particular agreement in writing made by the taxpayer before 27 April 1995 where the following conditions are met:

(a) in the case of a property that is a tax shelter for which Book X.1 of Part I of the said Act requires an identification number to be obtained, an identification number was obtained before 27 April 1995, and

(b) there is no agreement or other arrangement under which the taxpayer's obligations under the particular agreement can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act.

(6) Paragraph *a* of section 851.42 of the said Act, enacted by subsection 1, shall be read without reference to "not exceeding 10 years" where

(1) the indebtedness arises

(a) pursuant to an agreement in writing made by the taxpayer before 27 April 1995,

(b) before 1 January 1996, in respect of the acquisition of a prescribed film production within the meaning of section 613.3R1 of the Regulation respecting the Taxation Act, as it read before its repeal, an interest in a partnership all or substantially all of the property of which is such a film production, in this subparagraph referred to as the "particular partnership", or an interest in a partnership all or substantially all of the property of which is an interest in one or more particular partnerships, where

i. the principal photography of the production, or, in the case of a production that is a television series, one episode of the series, began before 1 January 1996, and

ii. the principal photography of the production was completed before 1 March 1996, or

(c) before 1 July 1995 pursuant to the terms of a document that is a final prospectus, preliminary prospectus or registration statement filed before 27 April 1995 with a public authority in Canada and in accordance with the securities legislation of Canada or of any province and, where required by law, accepted for filing by the public authority, and the funds so raised were expended before 1 January 1996 on expenditures contemplated by the document, or pursuant to the terms of an offering memorandum distributed as part of an offering of securities where

i. the memorandum contained a complete or substantially complete description of the securities contemplated in the offering as well as the terms and conditions of the offering,

ii. the memorandum was distributed before 27 April 1995,

iii. solicitations in respect of the sale of the securities contemplated by the memorandum were made before 27 April 1995,

iv. the sale of the securities was substantially in accordance with the memorandum, and

v. the funds were expended before 1 January 1996 in accordance with the memorandum; and

(2) the following conditions are met:

(a) in the case of an interest to which subparagraphs *a* and *c* of subparagraph 1 apply that is a tax shelter for which Book X.1 of Part I of the said Act requires an identification number to be obtained, an identification number was obtained before 27 April 1995, and

(b) there is no agreement or other arrangement under which the taxpayer's obligations in respect of the interest can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act.

(7) Section 851.43 of the said Act, enacted by subsection 1, does not apply to a taxpayer in respect of an indebtedness

(a) where the indebtedness arose, and is related to property acquired, or outlays or expenses made or incurred, by the taxpayer, before 27 April 1995, nor

(b) where the indebtedness arose, and is related to property acquired, or outlays or expenses made or incurred, by the taxpayer, before 1 January 1996 pursuant to a particular agreement in writing made by the taxpayer before

27 April 1995 and there is no agreement or other arrangement under which the taxpayer's obligations under the particular agreement can be changed, reduced or waived if there is an amendment to the said Act or if there is an adverse assessment under the said Act.

133. (1) The said Act is amended by inserting, after section 851.50, enacted by section 132 of chapter 7 of the statutes of 2001, the following :

#### **“TITLE IX**

##### **“LOWER ST. LAWRENCE PILOTS’ PENSION PLAN**

“851.51. For the purposes of this Title,

“Authority” means the Laurentian Pilotage Authority established by subsection 1 of section 3 of the Pilotage Act (Revised Statutes of Canada, 1985, chapter P-14);

“CPBSL” means the Corporation of the Lower St. Lawrence Pilots established by letters patent under Part II of the Canada Corporations Act, chapter 53 of the Revised Statutes of Canada, 1952, amended by chapter 52 of the Statutes of Canada, 1964-65, a body corporate contracting with the Authority for the services of pilots under the Pilotage Act, or any successor of the Corporation that carries on similar functions;

“CPHQ” means the Corporation of Pilots for and below the Harbour of Quebec, established by chapter 123 of the Statutes of the Province of Canada, 1860 (23 Vict., c. 123);

“eligible pilot” means a person who became a member of the CPHQ and was licensed by the Authority as a pilot before 1 January 1994, or who, on 31 December 1993, was an apprentice pilot and who, during 1994, became a member of the CPHQ and was licensed by the Authority as a pilot;

“fund” means the fund established by chapter 12 of the Statutes of the Province of Lower Canada, 1805 (45 George III, c. 12) and continued by chapter 114 of the Statutes of the Province of Canada, 1848-49 (12 Vict., c. 114), as amended;

“pension plan” means the plan established by the CPHQ for the administration of the fund;

“Société” means the general partnership composed of the members of the CPBSL and called Les Pilotes du Bas Saint-Laurent, or its successor, and includes any predecessor of the Société that carried on similar functions on behalf of those members.

“851.52. For the purposes of Title VI.0.1 of Book VII, any amount paid to the fund by the CPBSL is deemed to be a contribution made by the CPBSL as an employer and not by an eligible pilot.

“851.53. For the purposes of paragraph *c.1* of section 998, the CPHQ is deemed to have been incorporated solely for the administration of a registered pension plan and to have operated at all times solely for that purpose.

“851.54. For the purposes of this Part, sums paid into the fund by the CPBSL for any taxation year in respect of which the pension plan is a registered pension plan shall not be included in the income of an eligible pilot or in the income of the Société.”

(2) Subsection 1 has effect from 11 June 1998.

134. (1) Section 864 of the said Act is amended by replacing, in subparagraph *b* of the second paragraph, “subsection 2” by “the second paragraph”.

(2) Subsection 1 has effect from 27 April 1995.

135. (1) Section 890.6.1 of the said Act is amended by replacing subparagraph *a* of the first paragraph by the following :

“(a) is not a contribution referred to in paragraph 4, 5 or 6 of section 6804 of regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and”.

(2) Subsection 1 has effect from 9 October 1986. However, where subparagraph *a* of the first paragraph of section 890.6.1 of the said Act, enacted by subsection 1, applies before 20 June 1991, the French text thereof shall be read with the word “cotisation” replaced by the word “contribution”.

136. (1) Section 985 of the said Act, amended by section 229 of chapter 5 of the statutes of 2000, is again amended

(1) by inserting, in subparagraphs *a* and *b* of the first paragraph, after the words “Her Majesty in right of Canada or a province”, “, other than Québec”;

(2) by inserting, in subparagraph *i* of paragraph *d* of the first paragraph and in the second paragraph, after the words “Her Majesty in right of Canada or a province”, “, other than Québec,”.

(2) Subsection 1 has effect from 1 January 1999.

137. (1) Section 985.0.1 of the said Act, enacted by section 230 of chapter 5 of the statutes of 2000, is amended by inserting, after the words “Her Majesty in right of that province”, wherever they appear in paragraph *b*, “, other than Québec,”.

(2) Subsection 1 has effect from 1 January 1999.



138. (1) Section 1000 of the said Act is amended by replacing subparagraph ii of paragraph *e* of subsection 2 by the following :

“ii. 15 June of the following calendar year if the person is an individual who carried on a business in the taxation year, unless the expenditures made in the course of carrying on the business were primarily the cost or capital cost of a tax shelter within the meaning assigned by section 851.38, or if at any time in the taxation year the person is the spouse of such an individual and the person and the individual are not living apart at that time, or”.

(2) Subsection 1 applies from the taxation year 1995.

139. (1) Section 1005 of the said Act, amended by section 118 of chapter 39 of the statutes of 2000, is again amended by striking out “the amount deemed to be an overpayment under section 760 and”.

(2) Subsection 1 applies from the taxation year 1997.

140. (1) Section 1010 of the said Act, amended by section 240 of chapter 5 of the statutes of 2000, is again amended by adding, after subparagraph v of paragraph *a.1* of subsection 2, the following subparagraph :

“vi. a reassessment of the taxpayer’s tax is required to be made as a consequence of a transaction involving the taxpayer and a person not resident in Canada with whom the taxpayer was not dealing at arm’s length;”.

(2) Subsection 1 applies in respect of taxation years for which the period referred to in paragraph *a* or *a.0.1* of subsection 2 of section 1010 for which the Minister of Revenue may make any assessment, reassessment or additional assessment has not expired on 16 October 1997.

141. (1) Section 1028 of the said Act, amended by section 120 of chapter 39 of the statutes of 2000, is again amended by replacing “Where a corporation has held out the prospect that it will make allocations in proportion to patronage to its customers of a taxation year as described in sections 786 to 796” by “Where in a taxation year a corporation has held out the prospect that it will pay patronage dividends to its customers as described in sections 786 to 796”.

(2) Subsection 1 applies to taxation years that end after 22 February 1994.

142. (1) Section 1029.8.5.1 of the said Act is amended by replacing subparagraphs i to iii of paragraph *g* by the following :

“i. the State or Her Majesty in right of Canada or a province, other than Québec,

“ii. a mandatary of the State or of Her Majesty in right of Canada or a province, other than Québec,

“iii. a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by the State or Her Majesty in right of Canada or a province, other than Québec, or by a mandatary of the State or of Her Majesty in right of Canada or a province, other than Québec, or”.

(2) Subsection 1 has effect from 12 June 1998.

143. (1) Section 1029.8.15.1 of the said Act is amended by replacing subparagraphs i to iii of paragraph *g* by the following :

“i. the State or Her Majesty in right of Canada or a province, other than Québec,

“ii. a mandatary of the State or of Her Majesty in right of Canada or a province, other than Québec,

“iii. a corporation, commission or association that is controlled, directly or indirectly in any manner whatever, by the State or Her Majesty in right of Canada or a province, other than Québec, or by a mandatary of the State or of Her Majesty in right of Canada or a province, other than Québec, or”.

(2) Subsection 1 has effect from 12 June 1998.

144. (1) Section 1029.8.34 of the said Act, amended by section 255 of chapter 5 of the statutes of 2000 and by section 143 of chapter 39 of the statutes of 2000, is again amended

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

“ii. 10% of the aggregate of all production costs, excluding the costs referred to in subparagraph i and the costs relating to the script, to development, to the producer, to the production and to the stars, and the post-production costs for the property ;” ;

(2) by striking out the words “to do so” in the following provisions :

— subparagraph 2 of subparagraph i of paragraph *a* of the definition of “qualified computer-aided special effects and animation expenditure” in the first paragraph ;

— 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 *a* of the definition of “qualified labour expenditure” in the first paragraph ;

— subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph ;

— the portion of the third paragraph before paragraph *a*.

(2) Paragraph 1 of subsection 1 has effect from 19 December 1990, except in respect of a taxation year of a taxpayer in respect of which the time limits provided for in subsection 2 of section 1010 of the said Act expired before 23 June 1998.

(3) Subject to subsection 2 and to Part I of the said Act, the Minister of Revenue shall, notwithstanding sections 1007, 1010 and 1011 of the said Act, make, pursuant to the said Part I, a determination or redetermination of the amount deemed to have been paid by a corporation under Division II.6 of Chapter III.1 of Title III of Book IX of that Part, and any assessment or reassessment of the interest and penalties of the corporation that are required to give effect to paragraph 1 of subsection 1 and subsection 2.

145. (1) Section 1029.8.36.0.0.4 of the said Act, amended by section 257 of chapter 5 of the statutes of 2000, is again amended

(1) by striking out paragraph *a* of the definition of “excluded corporation” in the first paragraph;

(2) by replacing paragraph *c* of the definition of “excluded corporation” in the first paragraph by the following:

“(c) controlled, directly or indirectly in any manner whatever, by one or more corporations exempt from tax under Book VIII at any time in the year; or”;

(3) by striking out the words “to do so” in the following provisions:

— subparagraph ii of paragraph *a* of the definition of “qualified computer-aided special effects and animation expenditure” in the first paragraph;

— subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph;

— the portion of the third paragraph before paragraph *a*.

(2) Paragraphs 1 and 2 of subsection 1 apply to taxation years that end after 12 February 1998.

146. (1) Section 1029.8.36.0.3.3 of the said Act, amended by section 258 of chapter 5 of the statutes of 2000 and by section 150 of chapter 39 of the statutes of 2000, is again amended

(1) by replacing, in the English text, the definition of “eligible production work” in the first paragraph by the following:

““eligible production work” relating to a property that is a multimedia title means the work to carry out the stages of production of the property from the initial design to completion of the final version, ready to be commercialized, including activities relating to the writing of the script for the property, the development of its interactive structure, the purchase and production of its component elements and its computer development, but does not include activities relating to pressing, media duplication, promotion, distribution or dissemination;”;

(2) by striking out the words “to do so” in the following provisions :

— subparagraph ii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph ;

— paragraph *b* of the definition of “eligible production costs” in the first paragraph ;

— the portion of the third paragraph before paragraph *a*.

(2) Paragraph 1 of subsection 1 applies to taxation years that end after 9 May 1996.

147. (1) Section 1029.8.36.0.3.8 of the said Act, amended by section 259 of chapter 5 of the statutes of 2000 and by section 151 of chapter 39 of the statutes of 2000, is again amended, in the English text, by replacing the definition of “eligible production work” in the first paragraph by the following :

““eligible production work” relating to a property that is a multimedia title means the work to carry out the stages of production of the property from the initial design to completion of the final version, ready to be commercialized, including activities relating to the writing of the script for the property, the development of its interactive structure, the purchase and production of its component elements and its computer development, but does not include activities relating to pressing, media duplication, promotion, distribution or dissemination;”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

148. Section 1046 of the said Act is replaced by the following :

“1046. Every person who fails to file a fiscal return as required by section 1002 is liable to a penalty of \$10 for each day of default but not exceeding \$50.”

149. Section 1049 of the said Act, amended by section 276 of chapter 5 of the statutes of 2000 and by section 202 of chapter 39 of the statutes of 2000, is again amended by replacing the portion before subparagraph *a* of the first paragraph by the following :

“1049. Every person who, knowingly or under circumstances amounting to gross negligence, has made or has participated in or acquiesced in the making of, a false statement or omission in a return, certificate, statement or answer, in this section referred to as a “return”, made or filed in respect of a taxation year for the purposes of this Act, is liable to a penalty equal to the greater of \$100 and 50% of the amount by which”.

150. Section 1049.2.2.6 of the said Act is amended by replacing the first paragraph by the following :

“1049.2.2.6 The Minister may, where the Minister so decides, stay the imposition of a penalty under any of sections 1049.2.1, 1049.2.2, 1049.2.2.1, 1049.2.2.2 and 1049.2.2.5 in respect of a corporation that plans to carry out or has already carried out a transaction referred to in that section, if the corporation has applied to the Minister to that effect and undertakes to comply with the conditions set out in section 1049.2.2.7.”

151. Section 1049.2.2.7 of the said Act is replaced by the following :

“1049.2.2.7 The conditions to be complied with by a corporation referred to in section 1049.2.2.6 are that the corporation must issue shares of its capital stock that meet the requirement under paragraph *c* of section 965.7 and are not qualifying shares, or that shares of its capital stock must be the subject of a transaction or operation or a series of transactions or operations which, in the opinion of the Minister, can reasonably be believed to be equivalent to the issue of shares of the capital stock of the corporation that meet the requirement of paragraph *c* of section 965.7, for an amount equal to or greater than the amount of the purchase or redemption referred to in the first paragraph of section 1049.2.1 or 1049.2.2.1 or an amount determined under the second paragraph of section 965.11.9, section 965.11.15 or the second paragraph of section 965.11.17, for a transaction referred to in any of sections 1049.2.2, 1049.2.2.2 and 1049.2.2.5, as the case may be, on or before the expiry of a period of two years that begins on the day after the beginning of the transaction to which section 1049.2.2.6 refers.”

152. (1) Section 1054 of the said Act is amended by replacing paragraph *a* by the following :

“(a) such part of one or more capital losses from the disposition of capital properties referred to in paragraph *a* of section 1055, the total of which is not to exceed the excess referred to in that paragraph, as the legal representative so elects, is deemed, except for the purposes of section 741 and this paragraph, to be capital losses of the deceased taxpayer from the disposition of the capital properties by the taxpayer in the taxpayer’s last taxation year and not to be capital losses of the succession from the disposition of those capital properties ;”.

(2) Subsection 1 applies in respect of deaths that occur after 31 December 1993. However, where the first taxation year of the succession of an individual, referred to as the “particular taxation year” for the purposes of this subsection,

ended after 26 April 1995 and before 1 January 1997, the succession had a capital loss from the disposition after the particular taxation year and before 1 January 1997 of a share of the capital stock of a corporation that was owned by the individual or the succession on 26 April 1995 and acquired by the succession as a consequence of the individual's death, and the individual's legal representative so elects in writing by filing the document evidencing the election with the Minister of Revenue within six months after 23 May 2001, the following rules apply :

(1) the disposition is deemed to have occurred in the particular taxation year of the succession ;

(2) an election under section 1054 of the said Act, for the purposes of paragraph *a* of that section, enacted by subsection 1, for the particular taxation year is deemed to have been made on time if the document evidencing the election is filed with the Minister of Revenue within six months after 23 May 2001 ; and

(3) an amended fiscal return under Part I of the said Act for the individual's last taxation year is deemed, for the purposes of section 1054 of the said Act, to have been filed on time if it is filed with the Minister of Revenue within six months after 23 May 2001.

153. (1) Section 1079.1 of the said Act, amended by section 280 of chapter 5 of the statutes of 2000, is again amended by replacing the definition of "tax shelter" in the first paragraph by the following :

““tax shelter” means any property, including any right to income, other than a flow-through share or a prescribed property, in respect of which it may reasonably be considered, having regard to statements or representations made or proposed to be made in connection with the property, that, if a person were to acquire an interest in the property, at the end of a particular taxation year that ends within four years after the day on which the interest is acquired, the amount referred to in the second paragraph would equal or exceed the amount by which the cost to the person of the interest in the property at the end of the particular year, determined without reference to Title VIII of Book VI, would exceed the aggregate of all amounts each of which is the amount of any prescribed benefit that is expected to be received or enjoyed, directly or indirectly, in respect of the interest in the property by the person or another person with whom the person does not deal at arm's length ;”.

(2) Subsection 1 has effect from 1 December 1994.

154. (1) The said Act is amended by inserting, after section 1082.2, the following :

**“TITLE I.2****“TRANSFER PRICING**

“1082.3. In this Title,

“arm’s length allocation” means, in respect of a transaction, an allocation of profit or loss that would have occurred between the participants in the transaction if they had been dealing at arm’s length with each other;

“arm’s length transfer price” means, in respect of a transaction, an amount that would have been a transfer price in respect of the transaction if the participants in the transaction had been dealing at arm’s length with each other;

“documentation-due date” for a taxation year of a taxpayer or a fiscal period of a partnership means

(a) in the case of a taxpayer, the taxpayer’s filing-due date for the year; or

(b) in the case of a partnership, the day on or before which an information return is required by section 1086R23.1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1) to be filed for the fiscal period or would be required to be so filed if that section applied to the partnership;

“qualifying cost contribution arrangement” means an arrangement under which reasonable efforts are made by the participants in the arrangement to establish a basis for contributing to, and to contribute on that basis to, the cost of producing, developing or acquiring any property, or acquiring or performing any services, in proportion to the benefits which each participant is reasonably expected to derive from the property or services, as the case may be, as a result of the arrangement;

“tax benefit” means a reduction, avoidance or deferral of tax or other amount payable under this Act or an increase in a refund of tax or other amount under this Act;

“transaction” includes an arrangement or event;

“transfer price” means, in respect of a transaction, an amount paid or payable or an amount received or receivable, as the case may be, by a participant in the transaction as a price, a rental, a royalty, a premium or other payment for, or for the use, production or reproduction of, property or as consideration for services, including services provided as an employee and the insurance or reinsurance of risks, as part of the transaction;

“transfer pricing capital adjustment” of a taxpayer for a taxation year means the aggregate of

(a) the aggregate of all amounts each of which is  $\frac{3}{4}$  of the amount by which the adjusted cost base to the taxpayer of a capital property, other than a depreciable property, or an intangible capital amount of the taxpayer in respect of a business is reduced in the year because of an adjustment made under section 1082.4, or the amount by which the capital cost to the taxpayer of a depreciable property is reduced in the year because of an adjustment made under section 1082.4; and

(b) the aggregate of all amounts each of which is the product obtained by multiplying the aggregate of  $\frac{3}{4}$  of the amount by which the adjusted cost base to a partnership of a capital property, other than a depreciable property, or an intangible capital amount of a partnership in respect of a business is reduced in a fiscal period that ends in the year because of an adjustment made under section 1082.4, and the amount by which the capital cost to a partnership of a depreciable property is reduced in the fiscal period because of an adjustment made under section 1082.4, by the proportion that the taxpayer's share of the income or loss of the partnership for the fiscal period is of the income or loss of the partnership for the fiscal period, on the assumption that, if the income or loss of the partnership for that fiscal period were nil, the partnership's income for the fiscal period is equal to \$1,000,000;

“transfer pricing capital setoff adjustment” of a taxpayer for a taxation year means the amount that would be the taxpayer's transfer pricing capital adjustment for the year if the references, in the definition “transfer pricing capital adjustment”, to “reduced” were read as “increased”;

“transfer pricing income adjustment” of a taxpayer for a taxation year means the aggregate of all amounts each of which is the amount by which an adjustment made under section 1082.4, other than an adjustment included in determining a transfer pricing capital adjustment of the taxpayer for a taxation year, would result in an increase in the taxpayer's income for the year or a decrease in a loss of the taxpayer for the year from a source if that adjustment were the only adjustment made under section 1082.4;

“transfer pricing income setoff adjustment” of a taxpayer for a taxation year means the aggregate of all amounts each of which is the amount by which an adjustment made under section 1082.4, other than an adjustment included in determining a transfer pricing capital setoff adjustment of the taxpayer for a taxation year, would result in a decrease in the taxpayer's income for the year or an increase in a loss of the taxpayer for the year from a source if that adjustment were the only adjustment made under section 1082.4.

“1082.4. The rule set out in the second paragraph applies where a taxpayer or a partnership and a person not resident in Canada with whom the taxpayer or the partnership, or a member of the partnership, does not deal at arm's length, or a partnership of which the person not resident in Canada is a member, are participants in a transaction or a series of transactions and



(a) the terms and conditions made or imposed, in respect of the transaction or series of transactions, between any of the participants in the transaction or series of transactions differ from those that would have been made between persons dealing at arm's length; or

(b) the transaction or series of transactions would not have been entered into between persons dealing at arm's length and can reasonably be considered not to have been entered into primarily for *bona fide* purposes other than to obtain a tax benefit.

Where the conditions set out in the first paragraph are met, any amounts that, but for this Title and sections 1079.9 to 1079.16, would be determined for the purposes of this Act in respect of the taxpayer or the partnership for a taxation year or fiscal period, as the case may be, shall be adjusted to the quantum or nature of the amounts that would have been determined if,

(a) where only subparagraph *a* of the first paragraph applies, the terms and conditions made or imposed, in respect of the transaction or series of transactions, between the participants in the transaction or series of transactions had been those that would have been made between persons dealing at arm's length; or

(b) where subparagraph *b* of the first paragraph applies, the transaction or series of transactions entered into between the participants had been the transaction or series of transactions that would have been entered into between persons dealing at arm's length, under terms and conditions that would have been made between persons dealing at arm's length.

“1082.5. Where the amount determined under section 1082.6 in respect of a taxpayer for a taxation year is greater than the lesser of 10% of the amount that would be the taxpayer's gross revenue for the year if this Act were read without reference to sections 422, 422.1, 1079.9 to 1079.16 and 1082.4, and \$5,000,000, the taxpayer, other than the taxpayer all of whose taxable income for the year is exempt from tax under this Part, is liable to a penalty for a year equal to 10% of the amount determined under section 1082.6 in respect of the taxpayer for the year.

“1082.6. The amount to which section 1082.5 refers in respect of a taxpayer for a taxation year is equal to the amount by which the aggregate of the taxpayer's transfer pricing capital adjustment for the year and the taxpayer's transfer pricing income adjustment for the year exceeds the aggregate of

(a) the aggregate of all amounts each of which is the portion of the taxpayer's transfer pricing capital adjustment or transfer pricing income adjustment for the year that may reasonably be considered to relate to a particular transaction, where

i. the transaction is a qualifying cost contribution arrangement in which the taxpayer or a partnership of which the taxpayer is a member is a participant, or

ii. in any other case, the taxpayer or a partnership of which the taxpayer is a member made reasonable efforts to determine arm's length transfer prices or arm's length allocations in respect of the transaction, and to use those prices or allocations for the purposes of this Act; and

(b) the aggregate of all amounts each of which is the portion of the taxpayer's transfer pricing capital setoff adjustment or transfer pricing income setoff adjustment for the year that may reasonably be considered to relate to a particular transaction, where

i. the transaction is a qualifying cost contribution arrangement in which the taxpayer or a partnership of which the taxpayer is a member is a participant, or

ii. in any other case, the taxpayer or a partnership of which the taxpayer is a member made reasonable efforts to determine arm's length transfer prices or arm's length allocations in respect of the transaction, and to use those prices or allocations for the purposes of this Act.

“1082.7. For the purposes of the definition of “qualifying cost contribution arrangement” in section 1082.3 and of sections 1082.5 and 1082.6, a taxpayer or a partnership is deemed not to have made reasonable efforts to determine and use arm's length transfer prices or arm's length allocations in respect of a transaction or not to have participated in a transaction that is a qualifying cost contribution arrangement, unless the taxpayer or the partnership, as the case may be,

(a) makes or obtains, on or before the taxpayer's or partnership's documentation-due date for the taxation year or fiscal period, as the case may be, in which the transaction is entered into, records or documents that provide a description that is complete and accurate in all material respects of

i. the property or services to which the transaction relates,

ii. the terms and conditions of the transaction and their relationship to the terms and conditions of each other transaction entered into between the participants in the transaction,

iii. the identity of the participants in the transaction and their relationship to each other at the time the transaction was entered into,

iv. the functions performed, the property used or contributed and the risks assumed, in respect of the transaction, by the participants in the transaction,

v. the data and methods considered and the analysis performed to determine the transfer prices or the allocations of profits or losses or contributions to costs, as the case may be, in respect of the transaction, and

vi. the assumptions, strategies and policies that influenced the determination of the transfer prices or the allocations of profits or losses or contributions to costs, as the case may be, in respect of the transaction;

(b) for each subsequent taxation year or fiscal period in which the transaction continues, makes or obtains, on or before the taxpayer's or partnership's documentation-due date for that year or period, as the case may be, records or documents that completely and accurately describe each material change in the year or period to the matters referred to in subparagraphs i to vi of paragraph *a* in respect of the transaction; and

(c) provides the records or documents described in paragraphs *a* and *b* to the Minister within three months after service, made personally or by registered mail, of a written request therefor.

“1082.8. For the purposes of section 1082.5, where a taxpayer is a member of a partnership in a taxation year, the taxpayer's gross revenue for the year as a member of the partnership from any activities carried on by means of the partnership is deemed to be equal to the product obtained by multiplying the amount that would be the partnership's gross revenue from the activities if it were a taxpayer, to the extent that that amount does not include amounts received or receivable from other partnerships of which the taxpayer is a member in the year, for a fiscal period of the partnership that ends in the year, by the proportion that the taxpayer's share of the income or loss of the partnership from its activities for the fiscal period is of the income or loss of the partnership from its activities for the fiscal period, on the assumption that, if the income and loss of the partnership from its activities are nil for the fiscal period, the income of the partnership from its activities for the fiscal period is equal to \$1,000,000.

“1082.9. For the purposes of this Title, where a person is a member of a partnership that is a member of another partnership, the following rules apply:

(a) the person is deemed to be a member of the other partnership; and

(b) the person's share of the income or loss of the other partnership is deemed to be equal to the amount of that income or loss to which the person is directly or indirectly entitled.

“1082.10. Section 1082.4 does not apply in respect of a transaction that is a loan referred to in section 127 if the loan was made to a subsidiary controlled corporation and it is established that the money that was lent was used in the subsidiary corporation's business to gain income.

“1082.11. Sections 420, 421, 422 and 422.1 shall not apply to determine an amount under this Act where, but for those sections, the amount would be adjusted by reason of section 1082.4 and if the amount is so adjusted.

“1082.12. For the purpose of determining a taxpayer's gross revenue under sections 1082.5 and 1082.8, a transaction or series of transactions is deemed not to have occurred, if one of the purposes of the transaction or series

of transactions was to increase the taxpayer's gross revenue for the purposes of section 1082.5.

“1082.13. An adjustment, other than an adjustment that results in or increases a transfer pricing capital adjustment or a transfer pricing income adjustment of a taxpayer for a taxation year, shall not be made under section 1082.4 unless, in the opinion of the Minister, the circumstances are such that it would be appropriate that the adjustment be made.”

(2) Subsection 1, where it enacts sections 1082.3, 1082.4, 1082.9 to 1082.11 and 1082.13 of the said Act, applies to taxation years and fiscal periods that begin after 31 December 1997.

(3) Subsection 1, where it enacts sections 1082.5 to 1082.8 and 1082.12 of the said Act, applies in respect of adjustments made under section 1082.4 of that Act, enacted by subsection 1, for taxation years and fiscal periods that begin after 31 December 1998. However,

(1) sections 1082.5 to 1082.8 and 1082.12 of the said Act, enacted by subsection 1, do not apply in respect of transactions completed before 11 September 1997; and

(2) the record or document made, obtained or provided to the Minister of Revenue by a taxpayer or a partnership on or before the taxpayer's or partnership's documentation-due date for the taxpayer's or partnership's first taxation year or fiscal period, as the case may be, that begins after 23 May 2001 is deemed for the purposes of section 1082.7 of the said Act, enacted by subsection 1, to have been so made, obtained or provided on time.

155. (1) Section 1094 of the said Act is amended

(1) by replacing the portion before paragraph *b.1* by the following :

“1094. For the purposes of this Part, taxable Québec property includes an interest therein and means

(*a*) an immovable property situated in Québec;

(*b*) a capital property used in Québec by a person not resident in Canada in carrying on a business, other than

i. property used in carrying on an insurance business, and

ii. ships and aircraft used principally in international traffic and movable property pertaining to their operation if the country in which the person is resident grants substantially similar relief to persons resident in Canada in the year of disposition of the capital property;”;

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

“(c) a share of the capital stock of a corporation resident in Québec, other than a mutual fund corporation, that is not listed on a Canadian stock exchange or a foreign stock exchange;”;

(3) by inserting, after paragraph *c*, the following paragraph :

“(c.1) a share of the capital stock of a corporation not resident in Canada that is not listed on a Canadian stock exchange or a foreign stock exchange where, at any particular time during the 12-month period that ends at the time of disposition of that share,

i. more than 50% of the fair market value of all of the properties of the corporation was attributable to

(1) a taxable Québec property,

(2) a Canadian resource property,

(3) a timber resource property,

(4) an income interest in a trust resident in Canada, or

(5) an interest in or option in respect of a property described in any of subparagraphs 2 to 4, whether or not the property exists, and

ii. more than 50% of the fair market value of the share is derived directly or indirectly from one or any combination of

(1) immovable property situated in Québec,

(2) Canadian resource property, and

(3) timber resource property;”;

(4) by replacing paragraphs *d* to *f* by the following :

“(d) a share described in paragraph *c* or *c.1* that is listed on a Canadian stock exchange or a foreign stock exchange, or a share of the capital stock of a mutual fund corporation, if, at any particular time during the 5-year period that ends at the time of disposition of that share by a person not resident in Canada, at least 25% of the issued shares of any class of the capital stock of the corporation belonged to the person not resident in Canada, persons with whom the person not resident in Canada was not dealing at arm’s length, or the person not resident in Canada and persons with whom the person not resident in Canada was not dealing at arm’s length ;

“(e) an interest in a partnership where, at any particular time during the 12-month period that ends at the time of disposition of that interest, at least 50% of the fair market value of all of the properties of the partnership was attributable to

- (1) a taxable Québec property,
- (2) a Canadian resource property,
- (3) a timber resource property,
- (4) an income interest in a trust resident in Canada, or
- (5) an interest in or option in respect of a property described in any of subparagraphs 2 to 4, whether or not the property exists;

“(f) a capital interest in a trust, other than a unit trust, resident in Québec;”;

- (5) by replacing paragraph *h* by the following :

“(h) a unit of a mutual fund trust resident in Québec, if, at any particular time during the 5-year period that ends at the time of disposition of that unit by a person not resident in Canada, at least 25% of the issued units belonged to the person not resident in Canada, persons with whom the person not resident in Canada was not dealing at arm’s length, or the person not resident in Canada and persons with whom the person not resident in Canada was not dealing at arm’s length;”;

- (6) by inserting, after paragraph *h*, the following paragraph :

“(h.1) an interest in a trust not resident in Canada if, at any particular time during the 12-month period that ends at the time of disposition of that interest,

i. more than 50% of the fair market value of all of the properties of the trust was attributable to

- (1) a taxable Québec property,
- (2) a Canadian resource property,
- (3) a timber resource property,
- (4) an income interest in a trust resident in Canada, or

(5) an interest in or option in respect of a property described in any of subparagraphs 2 to 4, whether or not the property exists, and

ii. more than 50% of the fair market value of the interest is derived directly or indirectly from one or any combination of

- (1) immovable property situated in Québec,
- (2) Canadian resource property, and
- (3) timber resource property;”;

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

“(i) a property deemed by this Act to be taxable Québec property.”

(2) Subject to subsection 3, subsection 1 has effect from 27 April 1995, except in respect of dispositions of property that occur before 1 January 1996

(1) to a person who was obliged on 26 April 1995 to acquire the property pursuant to an agreement in writing entered into on or before 26 April 1995, and, for the purposes of this paragraph, a person is deemed not to be obliged to acquire property where the person can be excused from the obligation if there is an amendment to the said Act or if there is an adverse assessment under the said Act, or

(2) pursuant to a prospectus or similar document filed with the relevant securities authority before 27 April 1995.

(3) Where section 1094 of the said Act, enacted by subsection 1, applies

(1) before 30 October 1996, paragraph *h* of that section shall be read with the words “mutual fund trust” replaced by the words “mutual fund corporation”;

(2) before 26 November 1999, paragraphs *c*, *c.1* and *d* of that section shall be read with the words “a Canadian stock exchange or a foreign stock exchange” replaced by the words “a prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20”.

156. (1) Section 1096 of the said Act is replaced by the following:

“1096. For the purposes of sections 1094 and 1095,

(a) a taxable Québec property or a taxable Canadian property does not include a share of the capital stock of a non-resident owned investment corporation if, on the first day of the taxation year of the corporation in which the disposition of the share was made, the corporation did not own taxable Québec property, taxable Canadian property, Canadian resource property, timber resource property or an income interest in a trust resident in Canada; and

(b) a property is deemed to include, at a particular time, an interest in or option in respect of the property, whether or not the property exists at that time.”

(2) Subsection 1, except where it enacts paragraph *b* of section 1096 of the said Act, has effect from 27 April 1995, except in respect of dispositions of property that occur before 1 January 1996:

(1) to a person who was obliged on 26 April 1995 to acquire the property pursuant to an agreement in writing entered into on or before 26 April 1995,

and, for the purposes of this paragraph, a person is deemed not to be obliged to acquire property where the person can be excused from the obligation if there is an amendment to the said Act or if there is an adverse assessment under the said Act, or

(2) pursuant to a prospectus or similar document filed with the relevant securities authority before 27 April 1995.

157. (1) Section 1097 of the said Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following :

“1097. An individual not resident in Canada who proposes to dispose of any taxable Québec property other than property described in section 1102.1, property described in any of paragraphs *c* to *i* of section 1094, or an excluded property may, before the disposition, send to the Minister a notice setting out”.

(2) Subsection 1 has effect from 27 April 1995.

158. (1) Section 1102 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“1102. Where a person not resident in Canada disposes or proposes to dispose of a property, other than excluded property, that is a life insurance policy described in paragraph *k* of section 1089, a Québec resource property within the meaning of paragraph *d* of section 1089 or any property that is or would, if the person not resident in Canada disposed of it, be a taxable Québec property, to a person with whom the person not resident in Canada was not dealing at arm’s length, for no consideration or for consideration less than the fair market value at the time the person not resident in Canada so disposes of it or proposes to dispose of it, as the case may be, or to any person by way of gift *inter vivos*, the following rules apply:”.

(2) Subsection 1 applies in respect of dispositions of property that occur after 31 December 1996.

159. (1) Section 1102.1 of the said Act is replaced by the following :

“1102.1. Where a person not resident in Canada disposes or proposes to dispose to a taxpayer, in a taxation year a property, other than excluded property, that is a life insurance policy described in paragraph *k* of section 1089, a Québec resource property within the meaning of paragraph *d* of section 1089, a Québec timber resource property within the meaning of paragraph *e* of section 1089, property, other than capital property, that is immovable property situated in Québec, or depreciable property that is or would, if the person not resident in Canada disposed of it, be a taxable Québec property and the person not resident in Canada pays to the Minister, on account of tax payable for the year by the person not resident in Canada such an amount as is reasonable to the Minister in respect of the disposition or



proposed disposition of the property or furnishes the Minister with security acceptable to the Minister in respect of the disposition or proposed disposition of the property, the Minister shall forthwith issue to the person not resident in Canada and to the taxpayer a certificate in prescribed form fixing therein the amount of the proceeds of disposition or proposed disposition of the property or such other amount as is reasonable in the circumstances.

Property described in the first paragraph includes, at a particular time, any interest in or option in respect of the property, whether or not the property exists at that time.”

(2) Subsection 1 applies in respect of dispositions of property that occur after 31 December 1996.

160. (1) The said Act is amended by inserting, after section 1102.3, the following section :

“1102.4. For the purposes of sections 1097, 1102 and 1102.1, excluded property means

(a) property described in paragraph *i* of section 1094 ;

(b) a share of the capital stock of a corporation listed on a Canadian stock exchange or a foreign stock exchange, or an interest in the share ;

(c) a unit of a mutual fund trust ;

(d) a bond, debenture, bill, note, obligation secured by mortgage or similar obligation ; or

(e) any property that is prescribed to be excluded property.”

(2) Subject to subsection 3, subsection 1 has effect from 27 April 1995, except in respect of dispositions of property that occur before 1 January 1996

(1) to a person who was obliged on 26 April 1995 to acquire the property pursuant to an agreement in writing entered into on or before 26 April 1995 and, for the purposes of this paragraph, a person is deemed not to be obliged to acquire property where the person can be excused from the obligation if there is an amendment to the said Act or if there is an adverse assessment under the said Act, or

(2) pursuant to a prospectus or similar document filed with the relevant securities authority before 27 April 1995.

(3) Where section 1102.4 of the said Act, enacted by subsection 1, applies

(1) before 30 October 1996, paragraph *c* of that section shall be read with the words “mutual fund trust” replaced by the words “mutual fund corporation” ;

(2) before 26 November 1999, paragraph *c* of that section shall be read with the words “a Canadian stock exchange or a foreign stock exchange” replaced by the words “a prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20”.

161. (1) Section 1104 of the said Act is amended

(1) by replacing, in the portion of the French text before paragraph *a*, the words “Aux fins” by the words “Pour l’application”;

(2) by replacing paragraphs *f* and *g* by the following :

“(f) at no time in the year did more than 10% of its property consist of shares, bonds or other securities of any one corporation or debtor other than the State or Her Majesty in right of Canada or a province, within the meaning of section 1, other than Québec, or other than a Canadian municipality;

“(g) no person would have been a specified shareholder of the corporation in the year if

i. section 21.17 were read with “not less than 10%” replaced by “more than 25%” and without reference to the words “of any other corporation that is related to the corporation”,

ii. paragraph *a* of section 21.18 were read with the words “with whom the taxpayer does not deal at arm’s length” replaced by the words “related to the taxpayer”,

iii. section 21.18 were read without reference to paragraph *d* of that section, and

iv. paragraph *a* of subsection 1 of section 19 were read as follows :

“(a) an individual and

i. the individual’s child, as defined in subparagraph *d* of the first paragraph of section 451, who is under 19 years of age, or

ii. the individual’s spouse;”;

(2) Paragraph 2 of subsection 1, where it enacts paragraph *f* of section 1104 of the said Act, has effect from 12 June 1998.

(3) Paragraph 2 of subsection 1, where it enacts paragraph *g* of section 1104 of the said Act, applies to taxation years of a corporation that begin after 20 June 1996. However, except as provided for in subsections 4 to 9, paragraph *g* of section 1104 of the said Act, enacted by paragraph 2 of subsection 1, does not apply to the corporation, with respect to a particular person and persons related to the particular person, where

- (1) the corporation was an investment corporation on 20 June 1996;
- (2) the particular person is a specified shareholder of the corporation in the year; and
- (3) the particular person was a specified shareholder of the corporation on 20 June 1996 or a specified shareholder of the corporation at any time after 20 June 1996 and before 14 August 1998 and would have been a specified shareholder of the corporation on 20 June 1996 if paragraph *g* of section 1104 of the said Act, enacted by paragraph 2 of subsection 1, were read without reference to subparagraphs *ii* and *iv* thereof.
- (4) Paragraph 2 of subsection 1, where it enacts paragraph *g* of section 1104 of the said Act, applies to a corporation that was an investment corporation on 20 June 1996, for a taxation year that begins after that date if, at any time after that date and before the end of the year, a particular person described in paragraph 2 of subsection 3 in respect of the corporation for the year either contributes capital to the corporation or acquires a share of the capital stock of the corporation other than by a permitted acquisition.
- (5) Paragraph 2 of subsection 1, where it enacts paragraph *g* of section 1104 of the said Act, applies to a corporation that was an investment corporation on 20 June 1996, for a taxation year that begins after that date where, at any time after that date and before the end of the year, a newly related person in respect of the corporation
  - (1) contributed capital to the corporation; or
  - (2) held at any particular time property, in this paragraph referred to as “ineligible investment”, that is
    - (a) a share of the capital stock of the corporation, or
    - (b) a share of the capital stock of a corporation, or an interest in a partnership or trust, that held an ineligible investment at that time.
- (6) For the purposes of subsection 5, a newly related person in respect of a corporation at any time means a person who, at any other time that is before that time and after 20 June 1996, became related to a particular person described in paragraph 2 of subsection 3 in respect of the corporation, but does not include a person who would, if the taxation year of the corporation that includes that other time had ended immediately before that other time, have been a particular person described in paragraph 2 of subsection 3 in respect of the corporation for the year.
- (7) For the purposes of subsections 4 to 6, the following rules apply:
  - (1) a share is deemed to have been owned by a beneficiary of a trust or a member of a partnership from the later of 20 June 1996 and the time the share

was last acquired by the trust or partnership until the particular time, where, at that particular time

(a) a trust that existed on 20 June 1996 distributes a share of the capital stock of a corporation to a person who was a beneficiary under the trust throughout the period from 20 June 1996 to the particular time in satisfaction of all or any part of the beneficiary's capital interest in the trust; or

(b) a partnership that existed on 20 June 1996 distributes, on ceasing to exist, a share of the capital stock of a corporation or an interest in a share to a person who was a member of the partnership throughout the period from 20 June 1996 to the particular time; and

(2) where a person who is a beneficiary of a trust or a member of a partnership is deemed by paragraph *b*, *c* or *e* of section 21.18 of the said Act to own a share owned by the trust or partnership, the person is deemed to have acquired the share at the later of the time the share was acquired by the trust or partnership and the time the person last became a beneficiary of the trust or a member of the partnership.

(8) At any time on or after the day of the death of a person described in paragraph 3 of subsection 3 in respect of a corporation and before the third anniversary of that day,

(1) the succession of the deceased person is deemed to be a person described in paragraphs 2 and 3 of subsection 3 who is related to each person who, throughout the period that begins at the end of 20 June 1996 and ends at the time of death, was related to the deceased person;

(2) notwithstanding paragraph 6, the succession is deemed not to be a newly related person in respect of the corporation;

(3) notwithstanding paragraph 9, the acquisition of shares of the corporation's capital stock by the succession from the deceased person is deemed to be a permitted acquisition; and

(4) the succession is deemed not to be a trust for the purposes of subparagraph *a* of paragraph 1 of subsection 7 and paragraphs *b* and *e* of section 21.18 of the said Act.

(9) The definitions in this subsection apply in subsections 3 to 8 and this subsection:

(1) "permitted acquisition" means an acquisition by a particular person of a share of a class of the capital stock of a corporation if, immediately after the time at which the particular person acquires the share, the total percentage of the issued shares of that class held by the particular person and persons related to the particular person, or in the case of acquisitions before 14 August 1998, by the particular person and persons with whom the particular person did not

deal at arm's length immediately after the acquisition, does not exceed the permitted percentage for the particular person in respect of that class of shares, which share was

(a) held, at each particular time after 20 June 1996 and before the time at which the particular person acquired it, by the particular person or by a person who was related to the particular person throughout the period that begins at the end of 20 June 1996 and ends at the particular time ; or

(b) issued after 20 June 1996 by the corporation as a stock dividend and held, at each particular time after the time the share was issued and before the time at which the particular person acquired it, by the particular person or by a person who was related to the particular person throughout the period that begins at the end of 20 June 1996 and ends at the particular time ;

(2) "specified shareholder" has the meaning assigned by paragraph g of section 1104 of the said Act, enacted by paragraph 2 of subsection 1 ;

(3) "related persons" for purposes other than applying the definitions "permitted acquisition" and "permitted percentage" in respect of acquisitions of shares before 14 August 1998, has the meaning that would be assigned by sections 17 to 21 of the said Act if paragraph a of subsection 1 of section 19 of the said Act were read as follows :

"(a) an individual and

i. the individual's child, as defined in subparagraph d of the first paragraph of section 451, who is under 19 years of age, or

ii. the individual's spouse ;";

(4) "permitted percentage" for a particular person in respect of any class of shares of the capital stock of a corporation means

(a) in respect of acquisitions of shares before 14 August 1998, the greatest percentage that is the total percentage of the issued shares of a class of the capital stock of the corporation held at the end of 20 June 1996 by the particular person and persons with whom the particular person did not at that time deal at arm's length ; and

(b) in any other case, the greater of

i. the greatest percentage that is the total percentage of the issued shares of a class of the capital stock of the corporation held at the end of 20 June 1996 by the particular person and persons related to the particular person, and

ii. the greatest percentage that is the total percentage of the issued shares of a class of the capital stock of the corporation held at the beginning of 14 August 1998 by the particular person and persons related to the particular person.

162. (1) Section 1117 of the said Act is amended by replacing subparagraphs i and ii of paragraph *b* by the following:

“i. the investing of its funds in property, other than immovable property or an interest in immovable property,

“ii. the acquiring, holding, maintaining, improving, leasing or managing of any immovable property, or an interest in immovable property, that is capital property of the corporation, or”.

(2) Subsection 1 applies from the taxation year 1994.

163. (1) Section 1120 of the said Act is replaced by the following:

“1120. Subject to section 1120.1, a trust is a mutual fund trust at any time if, at that time,

(a) it was a unit trust resident in Canada;

(b) its only undertaking was

i. the investing of its funds in property, other than immovable property or an interest in immovable property,

ii. the acquiring, holding, maintaining, improving, leasing or managing of any immovable property, or interest in immovable property, that is capital property of the trust, or

iii. any combination of the activities described in subparagraphs i and ii; and

(c) it complied with the prescribed conditions relating to the number of its unit holders, dispersal of ownership of its units and public trading of its units.”

(2) Subsection 1 applies from the taxation year 1994.

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

“1120.O.1. Where a trust becomes a mutual fund trust at any particular time before the 91st day after the end of the calendar year in which its first taxation year began, and the trust so elects in its fiscal return it is required to file under Part I for that first year, the trust is deemed to have been a mutual fund trust from the beginning of that year until the particular time.”

(2) Subsection 1 applies from the taxation year 1994.

165. (1) Section 1136 of the said Act, amended by section 248 of chapter 39 of the statutes of 2000, is again amended, in subsection 1, by inserting, after paragraph *b.2*, the following paragraph:

“(b.3) the amount of the corporation’s deferred unrealized foreign exchange gains at the end of the taxation year;”.

(2) Subsection 1 applies to taxation years that end after 14 March 2000. However, where a corporation so elects by filing a notice in writing with the Minister of Revenue on or before the corporation’s filing-due date for its taxation year that includes 23 May 2001, paragraph *b.3* of subsection 1 of section 1136 of the said Act, enacted by subsection 1, applies from the taxation year 1995.

166. (1) Section 1137 of the said Act, amended by section 249 of chapter 39 of the statutes of 2000, is again amended by inserting, after paragraph *b.1*, the following paragraph:

“(b.1.1) the amount of the corporation’s deferred unrealized foreign exchange losses at the end of the taxation year;”.

(2) Subsection 1 applies to taxation years that end after 14 March 2000. However, where a corporation so elects by filing a notice in writing with the Minister of Revenue on or before the corporation’s filing-due date for its taxation year that includes 23 May 2001, paragraph *b.1.1* of section 1137 of the said Act, enacted by subsection 1, applies from the taxation year 1995.

167. (1) Section 1138.4 of the said Act is amended

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

“1138.4. The amount to which subsection 1 of section 1138 refers is, in respect of a corporation that throughout a taxation year was not resident in Canada, equal to the value, for that year, of property that is a ship or aircraft operated by the corporation in international traffic, within the meaning of section 1, or is movable property used in its business of transporting persons or goods by ship or aircraft in international traffic, where the property is used by the corporation in, or held by it in the year in the course of, carrying on any business during the year through an establishment in Canada.”;

(2) by replacing, in the English text, the second paragraph by the following:

“However, the reduction provided for in subsection 1 of section 1138 shall apply in respect of the amount referred to in the first paragraph only if the country in which the corporation is resident imposed neither a capital tax for the year on similar property nor a tax for the year on the income from the operation of a ship or aircraft in international traffic, of any corporation resident in Canada during the year.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 1995.

168. (1) Section 1175.9 of the said Act is amended by replacing paragraph *a* by the following :

“(a) the greater of

i. the amount by which its surplus funds derived from operations, as defined by paragraph *l* of section 835, at the end of the year, computed as if no tax were payable under this Part or Parts I.3 and VI of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5<sup>th</sup> Supplement) for the year, exceeds the aggregate of all amounts each of which is

(1) an amount on which it was required to pay tax under Part XIV of the Income Tax Act for a preceding taxation year, or would but for subsection 5.2 of section 219 of that Act have been required to pay such tax, except the portion of the amount on which tax was payable, or would have been payable, because of subparagraph i.1 of paragraph *a* of subsection 4 of section 219 of that Act, and

(2) an amount on which it was required to pay, or would but for subsection 5.2 of section 219 of that Act have been required to pay, tax under subsection 5.1 of section 219 of the Income Tax Act for the year because of the transfer of an insurance business to which sections 832.3 and 832.7 apply, and

ii. its attributed surplus, within the meaning assigned by the regulations made under section 818, for the year;”.

(2) Subsection 1 applies in respect of taxation years of a life insurer that end after 9 May 1996. However, where subparagraph ii of paragraph *a* of section 1175.9 of the said Act, enacted by subsection 1, applies to such a taxation year that ends before 1 January 1997, it shall be read with “its attributed surplus, within the meaning assigned by the regulations made under section 818, for the year” replaced by “its attributed surplus for the year, within the meaning assigned by the regulations made under section 818”.

169. (1) The said Act, amended by chapters 5, 8, 14, 25, 29, 39 and 56 of the statutes of 2000, is again amended

(1) by replacing the words “a prescribed stock exchange” by the words “a Canadian stock exchange or a foreign stock exchange” wherever they appear in the following provisions :

— paragraph *d* of section 21.11.20;

— paragraph *a* of the definition of “qualified security” in section 21.28;

(2) by inserting the words “, other than Québec,” after the words “Her Majesty in right of Canada or a province” in the following provisions :

— subparagraph *a* of the first paragraph of section 101.8;



— subparagraph viii of paragraph *a* of section 710;

— the French text of the definition of “total des dons à l’État” in the first paragraph of section 752.0.10.1;

— paragraph *h* of the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1;

— subparagraph i of paragraph *b* of section 752.0.18.12;

— the French text of the first paragraph of section 1175.18;

(3) by inserting the words “, other than Québec” after the words “Her Majesty in right of Canada or a province” in the following provisions:

— subparagraph ix of paragraph *a* of section 710;

— paragraph *b* of section 710;

— the English text of the definition of “total Crown gifts” in the first paragraph of section 752.0.10.1;

— paragraph *i* of the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1;

— the second paragraph of section 985.1.1;

— the English text of the first paragraph of section 1175.18;

(4) by replacing “prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20” by the words “Canadian stock exchange or a foreign stock exchange” in the following provisions:

— section 716.0.2;

— paragraphs *a* to *c* of the definition of “non-qualifying security” in the first paragraph of section 752.0.10.1;

(5) by replacing the words “a stock exchange in Canada” by the words “a Canadian stock exchange” wherever they appear in the English text of the following provisions:

— paragraph *f* of section 965.9.1.0.2;

— paragraph *f* of section 965.9.1.0.4;

— subparagraphs 1 and 2 of subparagraph *v* of paragraph *a* of section 965.9.1.0.4.2;

— subparagraphs *i* and *ii* of paragraph *d* of section 965.9.1.0.4.3;

- subparagraphs 1 and 2 of subparagraph vi of paragraph *a* of section 965.9.1.0.5;
- subparagraphs i and ii of paragraph *e* of section 965.9.1.0.6;
- paragraph *d* of section 965.9.1.1;
- paragraph *b* of section 965.9.7.1;
- paragraph *b* of section 965.9.7.2;
- paragraph *c* of section 965.9.8.2;
- the portion of paragraph *e* of section 965.10 before subparagraph i;
- subparagraph 2 of subparagraph ii of paragraph *e* of section 965.10;
- the portion of section 965.10.2 before paragraph *a*;
- subparagraphs ii and iii of paragraph *b* of section 965.10.2;
- the portion of the first paragraph of section 965.10.3 before subparagraph *a*;
- subparagraphs ii and iii of paragraph *b* of section 965.10.3;
- the portion of paragraph *b* of section 965.10.3.1 before subparagraph i;
- subparagraphs 2 and 3 of subparagraph ii of paragraph *b* of section 965.10.3.1;
- the portion of paragraph *b* of section 965.10.3.2 before subparagraph i;
- subparagraphs 2 and 3 of subparagraph ii of paragraph *b* of section 965.10.3.2;
- the portion of paragraph *d* of section 965.11.5 before subparagraph i;
- subparagraph 2 of subparagraph ii of paragraph *d* of section 965.11.5;
- the portion of paragraph *c* of section 965.17.2 before subparagraph i;
- subparagraph 2 of subparagraph ii of paragraph *c* of section 965.17.2;
- section 965.17.3.1;
- section 965.24.1;
- section 965.24.1.1;
- section 965.24.1.2.1;

— section 965.24.1.2.1.1 ;

— section 1049.1.1 ;

— section 1049.1.2 ;

— section 1049.1.3 ;

— section 1049.1.4 ;

— section 1049.1.4.1 ;

(6) by striking out the words “to do so” in the following provisions :

— the portion of section 1029.8.21.11 before paragraph *a* ;

— the portion of section 1029.8.21.12 before paragraph *a* ;

— the portion of section 1029.8.21.13 before paragraph *a* ;

— the portion of section 1029.8.33.17 before paragraph *a* ;

— the portion of section 1029.8.33.18 before paragraph *a* ;

— the portion of section 1029.8.33.19 before paragraph *a* ;

— subparagraph 2 of subparagraph *i* of paragraph *a* of the definition of “qualified film dubbing expenditure” in the first paragraph of section 1029.8.36.0.0.1 ;

— the portion of the third paragraph of section 1029.8.36.0.0.1 before paragraph *a* ;

— subparagraph 2 of subparagraph *i* of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.1 ;

— subparagraph *i* of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.1 ;

— subparagraph *i* of paragraph *b* of the definition of “eligible operating receipts” in the first paragraph of section 1029.8.36.0.1 ;

— the portion of the third paragraph of section 1029.8.36.0.1 before paragraph *a* ;

— the portion of section 1029.8.36.0.3.11 before paragraph *a* ;

— the portion of section 1029.8.36.0.3.12 before paragraph *a* ;

— the portion of section 1029.8.36.0.3.22 before paragraph *a* ;

- the portion of section 1029.8.36.0.3.23 before paragraph *a* ;
- the portion of section 1029.8.36.0.3.36 before paragraph *a* ;
- the portion of section 1029.8.36.0.12 before paragraph *a* ;
- the portion of section 1029.8.36.0.13 before paragraph *a* ;
- the portion of section 1029.8.36.23 before paragraph *a* ;
- subparagraph ii of paragraph *a* of the definition of “qualified construction expenditure” in the first paragraph of section 1029.8.36.54 ;
- subparagraph ii of paragraph *a* of the definition of “qualified conversion expenditure” in the first paragraph of section 1029.8.36.54 ;
- the portion of the fourth paragraph of section 1029.8.36.54 before paragraph *a* ;
- paragraph *b* of the second paragraph of section 1029.8.36.55 ;
- paragraph *b* of the second paragraph of section 1029.8.36.55.1 ;
- subparagraphs i and ii of paragraph *a* of the definition of “repayment of eligible assistance” in the first paragraph of section 1029.8.36.73 ;
- subparagraphs i and ii of paragraph *b* of the definition of “repayment of eligible assistance” in the first paragraph of section 1029.8.36.73 ;
- the definition of “deemed start-up expenditure” in the first paragraph of section 1029.8.36.89 ;
- the portion of the second paragraph of section 1029.8.36.89 before paragraph *a* ;
- the portion of section 1029.8.36.98 before paragraph *a* ;
- the portion of section 1029.8.36.99 before paragraph *a* ;
- the portion of section 1029.8.36.111 before paragraph *a* ;
- the portion of section 1029.8.36.112 before paragraph *a* ;
- the portion of section 1029.8.36.113 before paragraph *a* ;
- the portion of section 1029.8.36.114 before paragraph *a* ;
- the portion of section 1029.8.36.121 before paragraph *a* ;
- the portion of section 1029.8.36.122 before paragraph *a* ;

- subparagraph i of paragraph *a* of section 1029.8.36.122;
- the portion of section 1029.8.36.123 before paragraph *a*;
- subparagraph i of paragraph *a* of section 1029.8.36.123;
- the portion of section 1029.8.36.124 before paragraph *a*;
- section 1129.4.2.1;
- section 1129.4.3.3;
- section 1129.4.3.7;
- section 1129.4.3.11;
- section 1129.4.3.16;
- paragraphs *a* and *b* of section 1129.33.4;
- subparagraphs *a* and *b* of the first paragraph of section 1129.45.5;
- subparagraphs *a* and *b* of the first paragraph of section 1129.45.6;
- section 1129.45.7.1;
- section 1129.45.11;
- section 1129.45.15;
- the portion of section 1129.45.20 before paragraph *a*;
- the portion of section 1129.45.25 before paragraph *a*;

(7) by replacing “incurred by the corporation, after 9 March 1999 and before 1 January 2011, in the year” by “incurred by the corporation after 9 March 1999 and before 1 January 2011 and in the year” in the English text of the following provisions:

- the portion of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.38 before subparagraph i;
- paragraph *a* of the second paragraph of section 1029.8.36.0.3.41;
- the portion of paragraph *b* of the definition of “specified wages” in the first paragraph of section 1029.8.36.0.17 before subparagraph i;
- paragraph *a* of the second paragraph of section 1029.8.36.0.24.

(2) Paragraphs 1 and 4 of subsection 1 have effect from 26 November 1999.

(3) Paragraphs 2 and 3 of subsection 1 have effect from 12 June 1998.

(4) Paragraph 5 of subsection 1 has effect from 26 November 1999.

#### ACT RESPECTING THE APPLICATION OF THE TAXATION ACT

170. (1) Section 15 of the Act respecting the application of the Taxation Act (R.S.Q., chapter I-4) is amended by replacing the portion of paragraph *c* before subparagraph ii by the following:

“(c) where the disposition occurred because of an election under section 726.9.2 of the Taxation Act, the following rules apply:

i. for the purposes of the Taxation Act, other than sections 64, 78.4, 93 to 104, 130 and 130.1, the taxpayer is deemed to have reacquired the property at a capital cost equal to

(1) where the amount designated in respect of the property in the election did not exceed 110% of the fair market value of the property at the end of 22 February 1994, the taxpayer's proceeds of disposition of the property determined under paragraph *a* in respect of the disposition of the property that immediately preceded the reacquisition, reduced by the amount by which the amount designated in respect of the property in the election exceeded that fair market value, and

(2) in any other case, the amount otherwise determined under section 726.9.2 of the Taxation Act to be the cost to the taxpayer of the property immediately after the reacquisition referred to in that section, reduced by the amount by which the fair market value of the property on valuation day exceeded the capital cost of the property at the time it was last acquired before 1 January 1972, and”.

(2) Subsection 1 applies from the taxation year 1994.

171. (1) Section 51 of the said Act is replaced by the following:

“51. This chapter does not apply for the purpose of computing the cost to a taxpayer of any property where section 247 of the Taxation Act, in its application before 1 January 1993, or section 785.1 of that Act applies for that purpose.”

(2) Subsection 1 has effect

(a) from the time referred to in paragraph *a* of subsection 2 of section 10 of the Act to amend the Taxation Act and other fiscal provisions (1995, chapter 49) in respect of a corporation that is deemed by that paragraph *a* to have made an election;

(b) in any other case, from 1 January 1993.

172. (1) The said Act is amended by inserting, after section 51.1, the following section:

“51.2. Sections 59 to 88.2 do not apply to a disposition by a person not resident in Canada of a taxable Québec property that would not be a taxable Québec property immediately before the disposition if sections 1087 to 1096.2 of the Taxation Act (R.S.Q., chapter I-3) were read as they applied in respect of dispositions that occurred on 26 April 1995.”

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

173. (1) Section 70 of the said Act is amended by replacing paragraph *d* by the following:

“(d) a capital loss or an amount that would, but for sections 239, 534 and 535 of the said Act, as they read before being repealed in respect of the disposition of capital property before 27 April 1995, and sections 238.1, 264.0.1 and 264.0.2 of the said Act, be a loss from the disposition to a corporation after 31 December 1971 of capital property by the person described in paragraph *a*;”.

(2) Subsection 1 applies in respect of dispositions that occur after 26 April 1995.

174. (1) Section 87 of the said Act is amended by replacing “480” by “301.3”.

(2) Subsection 1 applies in respect of exchanges that occur after 31 October 1994.

#### ACT RESPECTING FAMILY BENEFITS

175. Section 29 of the Act respecting family benefits (R.S.Q., chapter P-19.1) is amended by replacing “Taxation Act (chapter I-3)” by “Act respecting the Ministère du Revenu (chapter M-31)”.

#### ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

176. (1) Section 34.1.4 of the Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5), amended by section 273 of chapter 39 of the statutes of 2000, is again amended by replacing, in subparagraph ii of paragraph *a*, “subsection 2” by “the second paragraph”.

(2) Subsection 1 has effect from 27 April 1995.

**ACT RESPECTING PROPERTY TAX REFUND**

177. (1) Section 45 of the Act respecting property tax refund (R.S.Q., chapter R-20.1) is replaced by the following:

“45. The payment of a property tax refund under this Act is deemed to be a refund by reason of the application of a fiscal law. The Minister may thus apply the property tax refund owing to a person referred to in section 2 to the payment of any amount for which that person is in debt to the State.”

(2) Subsection 1 has effect from 12 June 1998.

**ACT RESPECTING THE QUÉBEC SALES TAX**

178. (1) Section 357 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) is amended by inserting, after subparagraph *a* of paragraph 1, the following subparagraph:

“(a.1) notwithstanding subparagraph *a*, in the case of a rebate under the second paragraph of section 351 in respect of property supplied to the person by a supplier who did not, before the end of the year after the day the person ships the property to which the rebate relates outside Québec, charge the tax payable in respect of the supply and the supplier discloses in writing to the person that the Minister has sent a notice of assessment to the supplier for that tax, the day the person pays that tax;”.

(2) Subsection 1 has effect in respect of rebates applied for in circumstances described in subparagraph *a.1* of paragraph 1 of section 357 of the said Act, enacted by subsection 1.

**ACT TO AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS**

179. (1) Section 163 of the Act to amend the Taxation Act and other legislative provisions (1996, chapter 39) is amended by replacing the portion of subsection 2 before paragraph 1 by the following:

“(2) Subsection 1 applies in respect of rights acquired and shares acquired or disposed of in taxation years of foreign affiliates of taxpayers”.

(2) Subsection 1 has effect from 30 October 1996.

**ACT TO AGAIN AMEND THE TAXATION ACT, THE ACT RESPECTING THE QUÉBEC SALES TAX AND OTHER LEGISLATIVE PROVISIONS**

180. (1) Section 632 of the Act to again amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1997, chapter 85) is amended by replacing subsection 2 by the following:



“(2) Subsection 1 has effect from 1 July 1992 except for the purposes of section 192.1 of the said Act as it read before its repeal. In addition, where the definition of “short-term accommodation” applies for the period beginning on 23 April 1996 and ending before 1 April 1997 in respect of a supply made during that time, it shall be read as follows :

““short-term accommodation” means any type of overnight shelter, other than shelter on a train, trailer, boat or structure that has means of, or is capable of being readily adapted for, self-propulsion, when supplied as part of a tour package that also includes meals, or food therefor, and the services of a guide, but does not include a residential complex or unit when it

(a) is supplied to the recipient under a timeshare arrangement, or

(b) is included in that part of a tour package that is not the taxable portion of the tour package, within the meaning assigned to those expressions by section 63;”.

(2) Subsection 1 has effect from 19 December 1997.

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

181. (1) Section 273 of the Act to amend the Taxation Act and other legislative provisions (1999, chapter 83) is amended by replacing subsections 3 to 6 by the following :

“(3) Paragraphs 2 and 7 of subsection 1 apply to taxation years that begin after 31 December 1997.

“(4) Paragraphs 3 and 6 of subsection 1 have effect from 1 January 1999.

“(5) Paragraph 4 of subsection 1 applies in respect of shares acquired as part 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 3 July 1997.

“(6) Paragraph 5 of subsection 1 has effect from 26 November 1999.”

(2) Subsection 1 has effect from 20 December 1999.

182. This Act comes into force on 23 May 2001.



## Regulations and other acts

Gouvernement du Québec

### O.C. 750-2001, 20 June 2001

Education Act  
(R.S.Q., c. I-13.3)

#### School tax – 2001-2002 — Computation of the maximum yield

Regulation respecting computation of the maximum yield of the school tax for the 2001-2002 school year

WHEREAS under subparagraphs 1, 2 and 3 of the first paragraph of section 455.1 of the Education Act (R.S.Q., c. I-13.3), the Government shall, by regulation, determine the rules for establishing the allowable number of students for computing the maximum yield of the school tax that the school board and the Conseil scolaire de l'île de Montréal may levy and the rates of increase of the amounts per student and of the base amount referred to in section 308 of the Education Act;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without having been published as provided for in section 8 of that Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed thereby warrants it;

WHEREAS under section 18 of that Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or repealed thereby warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established by the Regulation justifies the absence of prior publication and such coming into force;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Education:

THAT the Regulation respecting computation of the maximum yield of the school tax for the 2001-2002 school year, attached to this Order in Council, be made.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

### Regulation respecting computation of the maximum yield of the school tax for the 2001-2002 school year

Education Act  
(R.S.Q., c. I-13.3, s. 455.1, 1st par., subpars. 1, 2 and 3)

1. For the computation of the maximum yield of the school tax for the 2001-2002 school year, provided for in section 308 of the Education Act (R.S.Q., c. I-13.3), the allowable number of students shall be determined by

(1) calculating the number of four-year-old preschool students who may be taken into account, by multiplying by 1.00 the number of such students legally enrolled for a minimum of 144 half days on 30 September 2000 in the schools that are under the jurisdiction of the school board;

(2) calculating the number of five-year-old preschool students who may be taken into account, by multiplying by 1.80 the number of such students legally enrolled for a minimum of 180 days on 30 September 2000 in the schools that are under the jurisdiction of the school board, except students referred to in paragraphs 7 and 8;

(3) calculating the number of elementary school students who may be taken into account, by multiplying by 1.55 the number of such full-time students legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board, except students referred to in paragraphs 7 and 9;

(4) calculating the number of secondary school students who may be taken into account, by multiplying by 2.40 the number of such full-time students legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board, except students referred to in paragraphs 7 and 10;

(5) calculating the number of students admitted to a program of study leading to a secondary school vocational diploma, an attestation of vocational specialization or an attestation of preparation for semi-specialized trades who may be taken into account, in accordance with paragraph 2 of section 4, by

(a) multiplying by 3.40 the number, increased by 2.5%, of full-time students admitted to a program of study leading to a secondary school vocational diploma, except students referred to in subparagraph *b*, or to an

attestation of vocational specialization, and legally enrolled during the 1999-2000 school year in the vocational training centres that are under the jurisdiction of the school board and are recognized by the Minister of Education for the purposes of applying the budgetary rules for the 1999-2000 school year;

(b) multiplying by 3.40 the number, increased by 2.5%, of full-time students admitted to preparation for semi-specialized trades, to the co-ordinated secondary-college program, to the apprenticeship scheme program or admitted, following Secondary III, to a program of study leading to a secondary school vocational diploma, and legally enrolled on 30 September 1999 in the vocational training centres that are under the jurisdiction of the school board and are recognized by the Minister of Education for the purposes of applying the budgetary rules for the 1999-2000 school year;

(c) multiplying by 3.40 the number of students corresponding to the difference between the number of new places, in terms of the enrolment capacity of an educational institution, allotted by the Minister of Education for one or more vocational programs of study and the number, increased by 2.5%, of full-time students admitted to such program or programs of study during the 1999-2000 school year in the vocational training centres that are under the jurisdiction of the school board and are recognized by the Minister of Education for the purposes of applying the budgetary rules for the 1999-2000 school year; and

(d) adding the products obtained under subparagraphs *a*, *b* and *c*;

(6) calculating the number of students admitted to adult education services who may be taken into account, in accordance with the Schedule to this Regulation, by

(a) multiplying by 2.40 the number of full-time students 16 to 18 years of age;

(b) multiplying by 2.10 the number of full-time students 19 years of age or over; and

(c) adding the products obtained under subparagraphs *a* and *b*;

(7) calculating the number of handicapped students who may be taken into account, by multiplying by 6.40 the number of such full-time students legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board and recognized by the Minister of Education for the purposes of applying the budgetary rules for the 2000-2001 school year;

(8) calculating the number of preschool students enrolled in welcoming classes and francization classes who may be taken into account, by multiplying by 2.25 the number of such full-time students enrolled in welcoming classes and francization classes and legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board;

(9) calculating the number of elementary school students enrolled in welcoming classes and francization classes who may be taken into account, by multiplying by 2.40 the number of such full-time students enrolled in welcoming classes and francization classes and legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board;

(10) calculating the number of secondary school students enrolled in welcoming classes and francization classes who may be taken into account, by multiplying by 3.40 the number of such full-time students enrolled in welcoming classes and francization classes and legally enrolled on 30 September 2000 in the schools that are under the jurisdiction of the school board; and

(11) adding the numbers obtained under paragraphs 1 to 10.

2. Where the sum obtained under paragraphs 2 to 4 and 7 to 10 of section 1 is less by 1% or more than the total obtained under paragraphs 2 to 4 and 7 to 10 of section 1 or, if applicable, under section 2 of the Regulation respecting computation of the maximum yield of the school tax for the 2000-2001 school year, made by Order in Council 732-2000 dated 15 June 2000, the sum shall be adjusted to correspond to 99% of the total.

3. Where the sum obtained under paragraphs 2 to 4 and 7 to 10 of section 1 is greater by 200 or by 2% than the sum obtained by adding the numbers of full-time students referred to in paragraphs 2 to 4 and 7 to 10 of section 1 of the Regulation respecting computation of the maximum yield of the school tax for the 2000-2001 school year and is less by at least 200 or by at least 2% than the sum obtained by adding the numbers of full-time students in the categories referred to in paragraphs 2 to 4 and 7 to 10 of section 1, established in accordance with the enrolment estimates of the Minister of Education for the 2001-2002 school year, paragraphs 2 to 4 of section 1 shall read as follows:

(2) calculating the number of five-year-old preschool students who may be taken into account, by multiplying by 1.80 the number of such full-time students, established in accordance with the enrolment estimates of the Minister of Education for the 2001-2002 school year, except students referred to in paragraphs 7 and 8 of section 1;

(3) calculating the number of elementary school students who may be taken into account, by multiplying by 1.55 the number of such full-time students, established in accordance with the enrolment estimates of the Minister of Education for the 2001-2002 school year, except students referred to in paragraphs 7 and 9 of section 1;

(4) calculating the number of secondary school students who may be taken into account, by multiplying by 2.40 the number of such full-time students, established in accordance with the enrolment estimates of the Minister of Education for the 2001-2002 school year, except students referred to in paragraphs 7 and 10 of section 1.

4. For the purposes of section 1,

(1) for the purposes of paragraphs 1 to 4 and 8 to 10 of section 1, students who, for the 2000-2001 school year, were going to school under an agreement entered into in accordance with section 213 of the Education Act and who will be enrolled for the 2001-2002 school year in a school of the school board having jurisdiction under sections 204 and 205 of that Act, are taken into account by the latter school board;

(2) students that may be taken into account by a school board for the purposes of paragraph 5 of section 1 are students who were admitted for the 1999-2000 school year to a vocational training centre under the jurisdiction of the school board, to receive educational services in vocational training, in vocational training programs authorized in accordance with section 467 of that Act;

(3) the number of full-time students is obtained by adding the number of students enrolled full-time who participate in the minimum number of hours of activities prescribed by the basic school regulation applicable to them and the number of students enrolled part-time converted into a number of full-time students by

(a) using the following equation to calculate the proportion of full-time attendance per student enrolled part-time:

$$\frac{\text{the student's number of hours of activities per school year}}{\text{divided by}} \\ \frac{\text{the minimum number of hours of activities per school year prescribed by the basic school regulation applicable to the student; and}}$$

(b) adding, for each category of students referred to in paragraphs 1 to 10 of section 1, the proportions obtained under subparagraph a.

5. For the computation of the maximum yield of the school tax for the 2001-2002 school year, the amount per student is \$635.32 or, if the allowable number of students is less than 1 000, \$825.90, and the base amount is \$190 592, that is, the amounts established for the 2000-2001 school year increased by 2.60%.

6. The Regulation respecting computation of the maximum yield of the school tax for the 2000-2001 school year, made by Order in Council 732-2000 dated 15 June 2000, is revoked.

7. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

## SCHEDULE

(s. 1, par. 6)

### NUMBER OF STUDENTS EQUIVALENT TO FULL-TIME ADULTS IN GENERAL EDUCATION

Code	School board	Over 18 years of age	18 years and less
711000	Monts-et-Marées, CS des	450.81	184.71
712000	Phares, CS des	372.89	85.12
713000	Fleuve-et-des-Lacs, CS du	291.24	86.41
714000	Kamouraska-Rivière-du-Loup, CS de	237.76	122.37
721000	Pays-des-Bleuets, CS du	320.98	208.49
722000	Lac-Saint-Jean, CS du	342.74	292.77
723000	Rives-du-Saguenay, CS des	696.77	462.58
724000	De La Jonquière, CS	368.68	194.73
731000	Charlevoix, CS de	67.51	72.44
732000	Capitale, CS de la	1 943.37	365.60
733000	Découvreurs, CS des	443.39	279.88
734000	Premières-Seigneuries, CS des	729.15	471.46
735000	Portneuf, CS de	129.78	122.24
741000	Chemin-du-Roy, CS du	524.78	167.82
742000	Énergie, CS de l'	292.62	157.15
751000	Hauts-Cantons, CS des	179.02	82.47
752000	Région-de-Sherbrooke, CS de la	834.05	252.00
753000	Sommets, CS des	238.48	93.45

Code	School board	Over 18 years of age	18 years and less
761000	Pointe-de-l'Île, CS de la	1 851.49	528.05
762000	Montréal, CS de	5 713.86	1 076.34
763000	Marguerite-Bourgeoys, CS	2 501.16	808.01
771000	Draveurs, CS des	793.10	399.40
772000	Portages-de-l'Outaouais, CS des	771.50	272.76
773000	Coeur-des-Vallées, CS au	260.67	136.66
774000	Hauts-Bois-de-l'Outaouais, CS des	364.49	71.46
781000	Lac-Témiscamingue, CS du	101.87	74.65
782000	Rouyn-Noranda, CS de	302.26	195.80
783000	Harricana, CS	122.01	77.62
784000	Or-et-des-Bois, CS de l'	236.78	218.45
785000	Lac-Abitibi, CS du	125.80	73.25
791000	Estuaire, CS de l'	231.24	99.88
792000	Fer, CS du	214.63	98.81
793000	Moyenne-Côte-Nord, CS de la	40.00	20.00
801000	Baie-James, CS de la	81.21	58.51
811000	Îles, CS des	60.38	17.50
812000	Chic-Chocs, CS des	252.06	113.37
813000	René-Lévesque, CS	353.99	116.15
821000	Côte-du-Sud, CS de la	140.22	145.77
822000	L'Amiante, CS de	225.22	131.71
823000	Beauce-Etchemin, CS de la	387.01	167.10
824000	Navigateurs, CS des	375.72	347.19
831000	Laval, CS de	1 161.03	448.43
841000	Affluents, CS des	543.69	440.04
842000	Samares, CS des	516.11	243.66

Code	School board	Over 18 years of age	18 years and less
851000	Seigneurie-des-Mille-Îles, CS de la	533.78	233.85
852000	Rivière-du-Nord, CS de la	495.77	282.29
853000	Laurentides, CS des	227.56	99.29
854000	Pierre-Neveu, CS	189.93	125.82
861000	Sorel-Tracy, CS de	272.00	129.25
862000	Saint-Hyacinthe, CS de	395.53	161.50
863000	Hautes-Rivières, CS des	363.71	162.13
864000	Marie-Victorin, CS	1 130.40	405.84
865000	Patriotes, CS des	402.08	134.05
866000	Val-des-Cerfs, CS du	438.24	181.08
867000	Grandes-Seigneuries, CS des	376.88	145.64
868000	Vallée-des-Tisserands, CS de la	307.59	209.80
869000	Trois-Lacs, CS de la	152.31	93.87
871000	Riveraine, CS de la	154.71	52.07
872000	Bois-Francs, CS des	274.56	126.95
873000	Chênes, CS des	237.51	135.91
881000	Central Québec, CS	66.99	19.20
882000	Eastern Shores, CS	89.97	25.58
883000	Eastern Townships, CS	125.72	80.86
884000	Riverside, CS	85.15	61.13
885000	Sir-Wilfrid-Laurier, CS	171.45	66.72
886000	Western Québec, CS	205.08	114.99
887000	English-Montréal, CS	2 461.29	475.23
888000	Lester-B.-Pearson, CS	643.75	273.43
889000	New Frontiers, CS	67.32	65.39
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Gouvernement du Québec

## O.C. 749-2001, 20 June 2001

An Act respecting financial assistance for education expenses  
(R.S.Q., c. A-13.3; 2001, c. 10)

### Education expenses — Financial assistance — Amendments

Regulation to amend the Regulation respecting financial assistance for education expenses

WHEREAS under section 57 of the Act respecting financial assistance for education expenses (R.S.Q., c. A-13.3; 2001, c. 10, s. 1), the Government may make regulations for the purposes of the Act;

WHEREAS the Government made the Regulation respecting financial assistance for education expenses by Order in Council 844-90 dated 20 June 1990;

WHEREAS it is expedient to further amend the Regulation respecting financial assistance for education expenses;

WHEREAS under section 23.7 of the Act respecting the Conseil supérieur de l'éducation (R.S.Q., c. C-60), the advice of the advisory committee on the financial accessibility of education must be sought on every draft regulation respecting the financial assistance program established under the Act respecting financial assistance for education expenses;

WHEREAS a draft of the Regulation attached to this Order in Council was submitted to the advisory committee on the financial accessibility of education and the latter gave its advice on 30 April 2001;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft of the Regulation attached to this Order in Council was published in Part 2 of the *Gazette officielle du Québec* of 28 February 2001 with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Education:

THAT the Regulation to amend the Regulation respecting financial assistance for education expenses, attached to this Order in Council, be made.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

## Regulation to amend the Regulation respecting financial assistance for education expenses \*

An Act respecting financial assistance for education expenses  
(R.S.Q., c. A-13.3, s. 57; 2001, c. 10, s. 1)

1. Section 25 of the Regulation respecting financial assistance for education expenses is amended by substituting the following for the first and second paragraphs:

“25. The student’s school fees comprise admission fees, registration fees, tuition fees, fees related to services of instruction and other fees prescribed by the educational institution. They also comprise the amounts allowed for the purchase of educational materials or specialized equipment.

The fees allocated to a student may not exceed \$6 000 per trimester.”.

2. Section 47 is amended by substituting the following for the part preceding subparagraph 1 in the fourth paragraph:

“The maximum amount of an authorized loan shall be increased by the fees allowed to the student under section 25 in the following cases:”.

3. Schedule VII is amended by substituting the following for the table:

\* The Regulation respecting financial assistance for education expenses, made by Order in Council 844-90 dated 20 June 1990 (1990, *G.O.* 2, 1685) was last amended by the Regulation made by Order in Council 1214-2000 dated 18 October 2000 (2000, *G.O.* 2, 5183). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 November 2000.

## “ELIGIBILITY PERIOD

Secondary level in vocational training  
College level or the equivalent

	Loan and bursary	Loan only	
		Number of trimesters	from
(1) secondary level in vocational training:	5	6 <sup>th</sup> trim.	7 <sup>th</sup> trim.
(2) secondary level in vocational training, program of studies covered by the apprenticeship system:	8	9 <sup>th</sup>	10 <sup>th</sup>
(3) college, pre-university studies:	5	6 <sup>th</sup>	7 <sup>th</sup>
(4) college, pre-university studies lasting six trimesters or more:	7	8 <sup>th</sup>	9 <sup>th</sup>
(5) college, program of technical studies:	7	8 <sup>th</sup>	9 <sup>th</sup>
(6) college, program of technical studies lasting seven trimesters:	8	9 <sup>th</sup>	10 <sup>th</sup>
(7) college, program of technical studies lasting eight trimesters or more:	9	10 <sup>th</sup>	11 <sup>th</sup>
(8) Conservatoire de musique et d'art dramatique du Québec (program of college studies):	7	8 <sup>th</sup>	9 <sup>th</sup>
(9) the National Theatre School of Canada:	11	12 <sup>th</sup>	13 <sup>th</sup>
(10) college, program of technical studies under a cooperative plan:	9	10 <sup>th</sup>	11 <sup>th</sup> .”.

4. Schedule X is amended by substituting the following for paragraphs 4 and 5 in the first paragraph of the table:

“(4) college, program of technical studies lasting 7 trimesters : 7 ;

(5) college, program of technical studies lasting 8 trimesters : 8 ;”.

5. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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**M.O., 2001-015****Order of the Minister responsible for Wildlife and Parks dated 12 June 2001**

An Act respecting the conservation and developpement of wildlife  
(R.S.Q., c. C-61.1)

Replacing Schedule 2 of Order in Council 725-92 dated May 12, 1992, concerning the establishment of the Rivière-Matane controlled zone

THE MINISTER RESPONSIBLE FOR WILDLIFE AND PARKS,

CONSIDERING that under section 104 of the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1), amended by section 16 of Chapter 48 of the Acts of 200, the Minister responsible for Wildlife and Parks may establish, after consultation with the Minister of Natural Resources, controlled zones on lands in the domain of the State for the development, harvesting and conservation of wildlife or a species of wildlife and for the carrying on of recreational activities incidental thereto and, may also, include in a controlled zone any private land subject to agreement between the owner, including a municipality or an urban community, and the Minister;

CONSIDERING that under section 33 of the Act modifying the Act respecting the conservation and development of wildlife and the Act respecting commercial fisheries and aquaculture (1998, c. 29), every order in council made by the Government under section 104 of the Act respecting the conservation and development of wildlife before June 17, 1998 continues to be in force until it is replaced by an order of the Minister;

CONSIDERING that Order in Council 725-92 dated May 12, 1992 concerned the establishment of the Rivière-Cap-Chat controlled zone, the Rivière-Matane controlled zone, the Rivière-Madeleine controlled zone and the Petite-Rivière-Cascapédia controlled zone;



CONSIDERING that private lands not subjected to any agreement between their owners and the Minister have been included within the boundaries of the Rivière-Matane controlled zone;

CONSIDERING that some landowners have entered into agreements with the Minister to have their land included within the boundaries of the controlled zone;

CONSIDERING that it is expedient to alter the territory of the Rivière-Matane controlled zone to exclude the private lands not subjected to an agreement between their owners and the Minister and to include the private lands for which agreements have been entered into;

ORDERS THAT :

The territory, the map of which appears in Schedule attached to this Order is established as a controlled zone under the name "Rivière-Matane Controlled Zone";

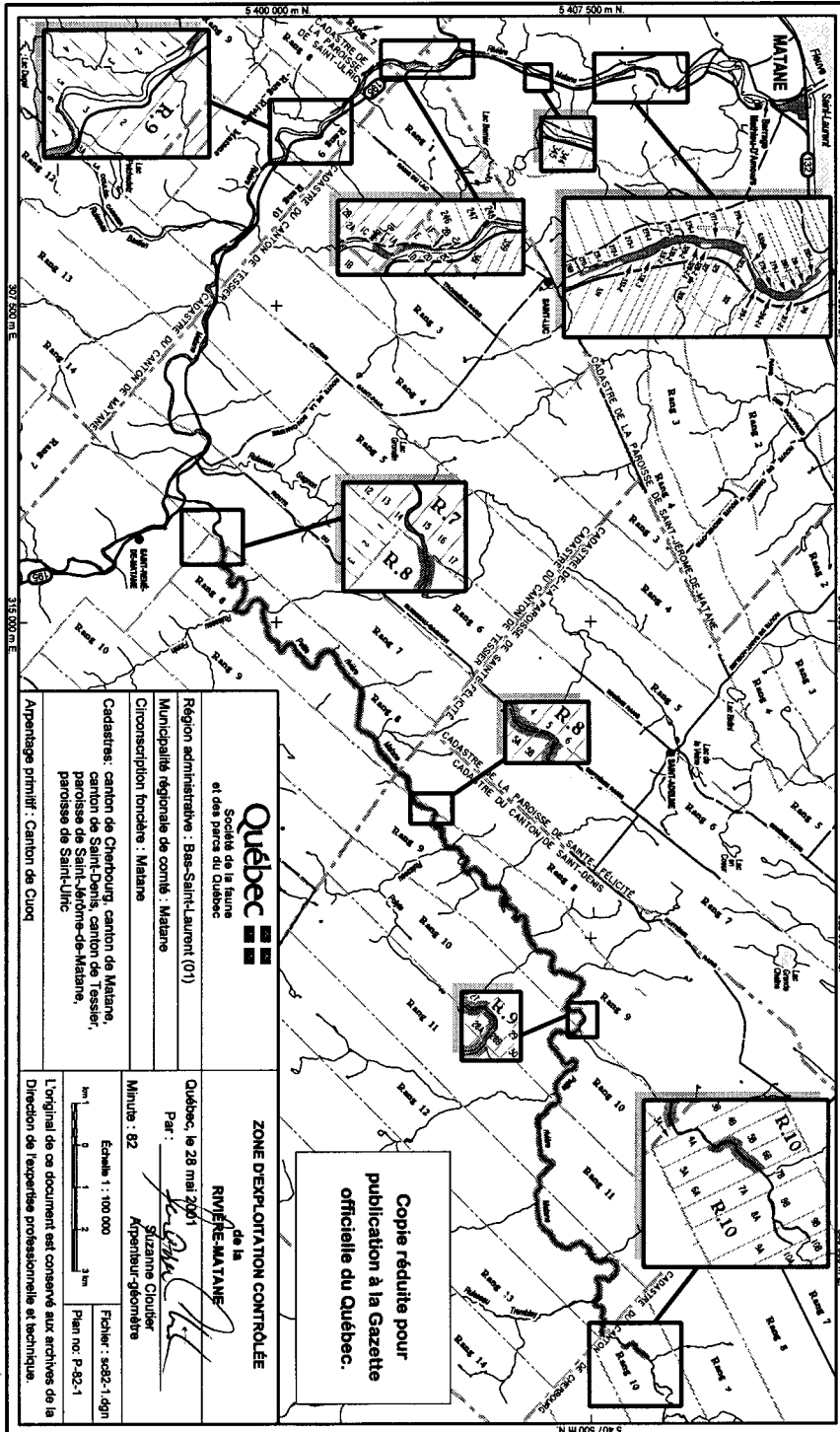
This Order be substituted for Schedule 2 of Order in Council 725-92 dated May 12, 1992;

This Order comes into force on the day of its publication in the *Gazette officielle du Québec*.

Québec, 12 June 2001

GUY CHEVRETTE,  
*Minister responsible for  
Wildlife and Parks*

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**Québec**  
Société de la faune  
et des parcs du Québec

Région administrative : Bas-Saint-Laurent (01)  
Municipalité régionale de comté : Matane

Circonscription fondaire : Matane

Cadastrales : canton de Chertbourg, canton de Matane,  
canton de Saint-Denis, canton de l'Essier,  
paroisse de Saint-Jérôme-de-Matane,  
paroisse de Saint-Urbain

Appartenance primitif : Canton de Cluod

**ZONE D'EXPLOITATION CONTRÔLÉE**  
de la  
**RIVIÈRE-MATANE**

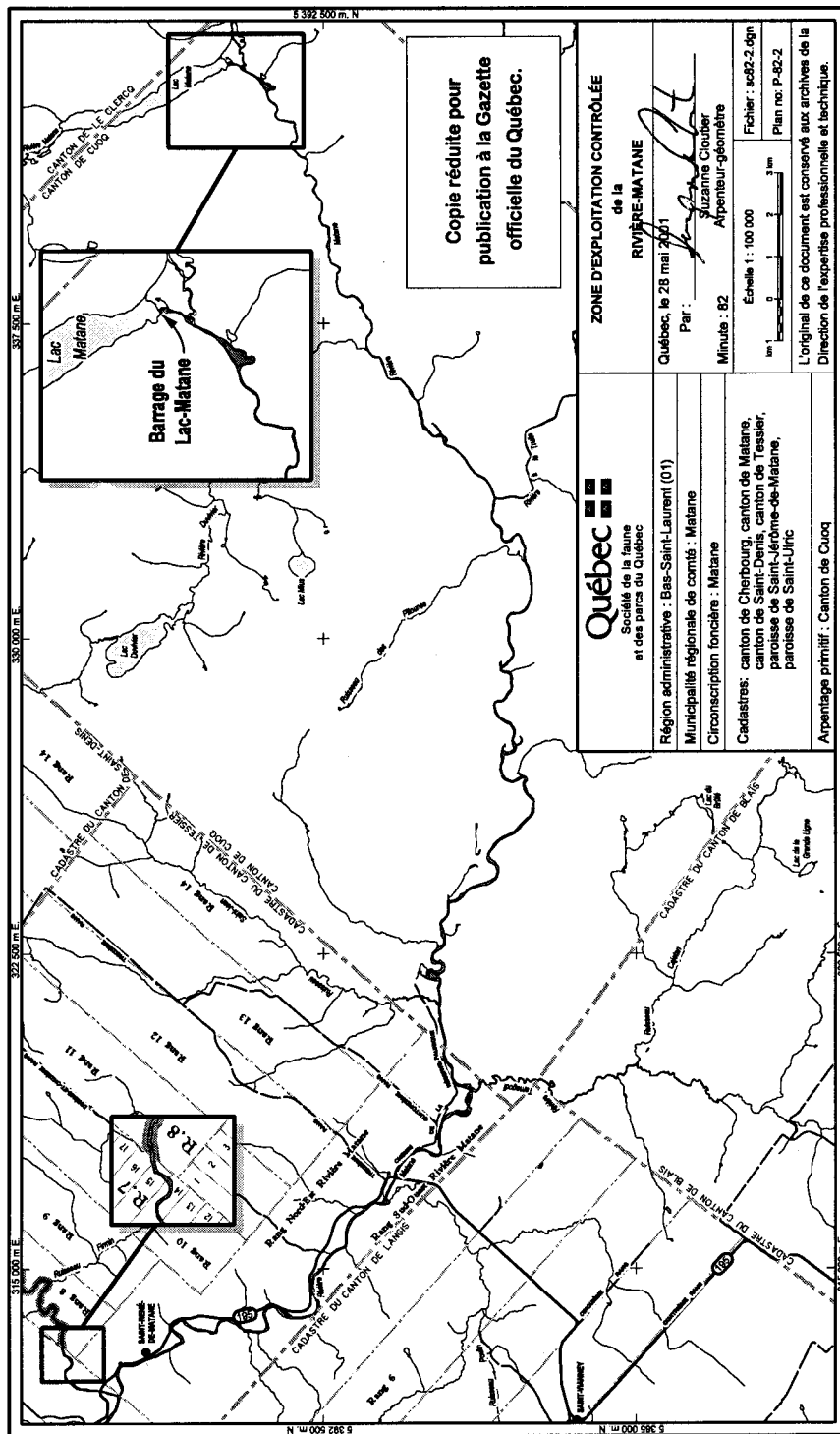
Québec, le 28 mai 2001  
Par : *Suzanne Clouder*  
Agriculteur-généraliste

Minute : 82

Échelle 1 : 100 000  
Fichier : s82-1.dgn  
Plan no : P-82-1

L'original de ce document est conservé aux archives de la  
Direction de l'arpente professionnelle et technique.

Copie réduite pour  
publication à la Gazette  
officielle du Québec.



**M.O., 2001****Order of the Minister of Revenue concerning source deductions tables dated 16 June 2001**

Taxation Act  
(R.S.Q., c. I-3)

THE MINISTER OF REVENUE,

CONSIDERING section 1015 of the Taxation Act (R.S.Q., c. I-3), amended by section 243 of chapter 5 of the statutes of 2000, which provides, in the first paragraph, that every person who pays, allocates, grants or awards an amount referred to in the second paragraph shall deduct or withhold therefrom the amount referred to in the third paragraph;

CONSIDERING the third paragraph of section 1015 of the Taxation Act which provides that the Minister of Revenue shall draw up the tables determining the amount to be deducted or withheld from an amount paid, allocated, granted or awarded;

CONSIDERING the sixth paragraph of that section which provides that the tables determining the amount to be deducted or withheld from an amount paid, allocated, granted or awarded come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein;

CONSIDERING section 12 of the Regulations Act (R.S.Q., c. R-18.1) which provides that a proposed regulation may be made without prior publication as prescribed in section 8 of that Act, where the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

CONSIDERING section 18 of that Act which provides that a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

CONSIDERING that the fiscal nature of the source deductions tables attached hereto warrants the lack of prior publication and such coming into force;

DRAWS UP the tables attached hereto determining the amount that a person shall deduct or withhold under section 1015 of the Taxation Act. Those tables come into force on 1 July 2001.

Sainte-Foy, 16 June 2001

GUY JULIEN,  
*Minister of Revenue*

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# **Source Deductions of Québec Income Tax**

## **Table 36**









**QUÉBEC INCOME TAX – Table 36**

**52 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.													If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.			
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z	
830.00 – 839.99	147.00	114.63	110.60	104.63	95.50	91.94	89.56	86.37	81.44	74.69	68.48	63.04	58.08	53.81	50.35	1.92	
840.00 – 849.99	149.00	116.63	112.60	106.63	97.50	93.94	91.56	88.37	83.44	76.69	70.48	65.04	60.08	55.81	52.35	1.92	
850.00 – 859.99	151.00	118.63	114.60	108.63	99.50	95.94	93.56	90.37	85.44	78.69	72.48	67.04	62.08	57.81	54.35	1.92	
860.00 – 869.99	153.00	120.63	116.60	110.63	101.50	97.94	95.56	92.37	87.44	80.69	74.48	69.04	64.08	59.81	56.35	1.92	
870.00 – 879.99	155.00	122.63	118.60	112.63	103.50	99.94	97.56	94.37	89.44	82.69	76.48	71.04	66.08	61.81	58.35	1.92	
880.00 – 889.99	157.00	124.63	120.60	114.63	105.50	101.94	99.56	96.37	91.44	84.69	78.48	73.04	68.08	63.81	60.35	1.92	
890.00 – 899.99	159.00	126.63	122.60	116.63	107.50	103.94	101.56	98.37	93.44	86.69	80.48	75.04	70.08	65.81	62.35	1.92	
900.00 – 909.99	161.00	128.63	124.60	118.63	109.50	105.94	103.56	100.37	95.44	88.69	82.48	77.04	72.08	67.81	64.35	1.92	
910.00 – 919.99	163.00	130.63	126.60	120.63	111.50	107.94	105.56	102.37	97.44	90.69	84.48	79.04	74.08	69.81	66.35	1.92	
920.00 – 929.99	165.00	132.63	128.60	122.63	113.50	109.94	107.56	104.37	99.44	92.69	86.48	81.04	76.08	71.81	68.35	1.92	
930.00 – 939.99	167.00	134.63	130.60	124.63	115.50	111.94	109.56	106.37	101.44	94.69	88.48	83.04	78.08	73.81	70.35	1.92	
940.00 – 949.99	169.00	136.63	132.60	126.63	117.50	113.94	111.56	108.37	103.44	96.69	90.48	85.04	80.08	75.81	72.35	1.92	
950.00 – 959.99	171.00	138.63	134.60	128.63	119.50	115.94	113.56	110.37	105.44	98.69	92.48	87.04	82.08	77.81	74.35	1.92	
960.00 – 969.99	173.00	140.63	136.60	130.63	121.50	117.94	115.56	112.37	107.44	100.69	94.48	89.04	84.08	79.81	76.35	1.92	
970.00 – 979.99	175.00	142.63	138.60	132.63	123.50	119.94	117.56	114.37	109.44	102.69	96.48	91.04	86.08	81.81	78.35	1.92	
980.00 – 989.99	177.00	144.63	140.60	134.63	125.50	121.94	119.56	116.37	111.44	104.69	98.48	93.04	88.08	83.81	80.35	1.92	
990.00 – 999.99	179.00	146.63	142.60	136.63	127.50	123.94	121.56	118.37	113.44	106.69	100.48	95.04	90.08	85.81	82.35	1.92	
1,000.00 – 1,009.99	181.20	148.83	144.80	138.83	129.70	126.14	123.76	120.57	115.64	108.89	102.68	97.24	92.28	88.01	84.55	1.92	
1,010.00 – 1,019.99	183.60	151.23	147.20	141.23	132.10	128.54	126.16	122.97	118.04	111.29	105.08	99.64	94.68	90.41	86.95	1.92	
1,020.00 – 1,029.99	186.00	153.63	149.60	143.63	134.50	130.94	128.56	125.37	120.44	113.69	107.48	102.04	97.08	92.81	89.35	1.92	
1,030.00 – 1,039.99	188.40	156.03	152.00	146.03	136.90	133.34	130.96	127.77	122.84	116.09	109.88	104.44	99.48	95.21	91.75	1.92	
1,040.00 – 1,049.99	190.80	158.43	154.40	148.43	139.30	135.74	133.36	130.17	125.24	118.49	112.28	106.84	101.88	97.61	94.15	1.92	
1,050.00 – 1,059.99	193.20	160.83	156.80	150.83	141.70	138.14	135.76	132.57	127.64	120.89	114.68	109.24	104.28	100.01	96.55	1.92	
1,060.00 – 1,069.99	195.60	163.23	159.20	153.23	144.10	140.54	138.16	134.97	130.04	123.29	117.08	111.64	106.68	102.41	98.95	1.92	
1,070.00 – 1,079.99	198.00	165.63	161.60	155.63	146.50	142.94	140.56	137.37	132.44	125.69	119.48	114.04	109.08	104.81	101.35	1.92	
1,080.00 – 1,089.99	200.40	168.03	164.00	158.03	148.90	145.34	142.96	139.77	134.84	128.09	121.88	116.44	111.48	107.21	103.75	1.92	
1,090.00 – 1,099.99	202.80	170.43	166.40	160.43	151.30	147.74	145.36	142.17	137.24	130.49	124.28	118.84	113.88	109.61	106.15	1.92	
1,100.00 – 1,109.99	205.20	172.83	168.80	162.83	153.70	150.14	147.76	144.57	139.64	132.89	126.68	121.24	116.28	112.01	108.55	1.92	
1,110.00 – 1,119.99	207.60	175.23	171.20	165.23	156.10	152.54	150.16	146.97	142.04	135.29	129.08	123.64	118.68	114.41	110.95	1.92	
1,120.00 – 1,129.99	210.00	177.63	173.60	167.63	158.50	154.94	152.56	149.37	144.44	137.69	131.48	126.04	121.08	116.81	113.35	1.92	
1,130.00 – 1,139.99	212.40	180.03	176.00	170.03	160.90	157.34	154.96	151.77	146.84	140.09	133.88	128.44	123.48	119.21	115.75	1.92	
1,140.00 – 1,149.99	214.80	182.43	178.40	172.43	163.30	159.74	157.36	154.17	149.24	142.49	136.28	130.84	125.88	121.61	118.15	1.92	
1,150.00 – 1,159.99	217.20	184.83	180.80	174.83	165.70	162.14	159.76	156.57	151.64	144.89	138.68	133.24	128.28	124.01	120.55	1.92	
1,160.00 – 1,169.99	219.60	187.23	183.20	177.23	168.10	164.54	162.16	158.97	154.04	147.29	141.08	135.64	130.68	126.41	122.95	1.92	
1,170.00 – 1,179.99	222.00	189.63	185.60	179.63	170.50	166.94	164.56	161.37	156.44	149.69	143.48	138.04	133.08	128.81	125.35	1.92	
1,180.00 – 1,189.99	224.40	192.03	188.00	182.03	172.90	169.34	166.96	163.77	158.84	152.09	145.88	140.44	135.48	131.21	127.75	1.92	
1,190.00 – 1,199.99	226.80	194.43	190.40	184.43	175.30	171.74	169.36	166.17	161.24	154.49	148.28	142.84	137.88	133.61	130.15	1.92	
1,200.00 – 1,209.99	229.20	196.83	192.80	186.83	177.70	174.14	171.76	168.57	163.64	156.89	150.68	145.24	140.28	136.01	132.55	1.92	
1,210.00 – 1,219.99	231.60	199.23	195.20	189.23	180.10	176.54	174.16	170.97	166.04	159.29	153.08	147.64	142.68	138.41	134.95	1.92	
1,220.00 – 1,229.99	234.00	201.63	197.60	191.63	182.50	178.94	176.56	173.37	168.44	161.69	155.48	150.04	145.08	140.81	137.35	1.92	

**QUÉBEC INCOME TAX – Table 36**

**52 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.													If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.																		
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z
1,230.00 – 1,249.99	237.60	205.23	201.20	195.23	186.10	182.54	180.16	176.97	172.04	165.29	159.08	153.64	148.68	144.41	140.95	1.92	237.60	205.23	201.20	195.23	186.10	182.54	180.16	176.97	172.04	165.29	159.08	153.64	148.68	144.41	140.95	1.92
1,250.00 – 1,269.99	242.40	210.03	206.00	200.03	190.90	187.34	184.96	181.77	176.84	170.09	163.88	158.44	153.48	149.21	145.75	1.92	242.40	210.03	206.00	200.03	190.90	187.34	184.96	181.77	176.84	170.09	163.88	158.44	153.48	149.21	145.75	1.92
1,270.00 – 1,289.99	247.20	214.83	210.80	204.83	195.70	192.14	189.76	186.57	181.64	174.89	168.68	163.24	158.28	154.01	150.55	1.92	247.20	214.83	210.80	204.83	195.70	192.14	189.76	186.57	181.64	174.89	168.68	163.24	158.28	154.01	150.55	1.92
1,290.00 – 1,309.99	252.00	219.63	215.60	209.63	200.50	196.94	194.56	191.37	186.44	179.69	173.48	168.04	163.08	158.81	155.35	1.92	252.00	219.63	215.60	209.63	200.50	196.94	194.56	191.37	186.44	179.69	173.48	168.04	163.08	158.81	155.35	1.92
1,310.00 – 1,329.99	256.80	224.43	220.40	214.43	205.30	201.74	199.36	196.17	191.24	184.49	178.28	172.84	167.88	163.61	160.15	1.92	256.80	224.43	220.40	214.43	205.30	201.74	199.36	196.17	191.24	184.49	178.28	172.84	167.88	163.61	160.15	1.92
1,330.00 – 1,349.99	261.60	229.23	225.20	219.23	210.10	206.54	204.16	200.97	196.04	189.29	183.08	177.64	172.68	168.41	164.95	1.92	261.60	229.23	225.20	219.23	210.10	206.54	204.16	200.97	196.04	189.29	183.08	177.64	172.68	168.41	164.95	1.92
1,350.00 – 1,369.99	266.40	234.03	230.00	224.03	214.90	211.34	208.96	205.77	200.84	194.09	187.88	182.44	177.48	173.21	169.75	1.92	266.40	234.03	230.00	224.03	214.90	211.34	208.96	205.77	200.84	194.09	187.88	182.44	177.48	173.21	169.75	1.92
1,370.00 – 1,389.99	271.20	238.83	234.80	228.83	219.70	216.14	213.76	210.57	205.64	198.89	192.68	187.24	182.28	178.01	174.55	1.92	271.20	238.83	234.80	228.83	219.70	216.14	213.76	210.57	205.64	198.89	192.68	187.24	182.28	178.01	174.55	1.92
1,390.00 – 1,409.99	276.00	243.63	239.60	233.63	224.50	220.94	218.56	215.37	210.44	203.69	197.48	192.04	187.08	182.81	179.35	1.92	276.00	243.63	239.60	233.63	224.50	220.94	218.56	215.37	210.44	203.69	197.48	192.04	187.08	182.81	179.35	1.92
1,410.00 – 1,429.99	280.80	248.43	244.40	238.43	229.30	225.74	223.36	220.17	215.24	208.49	202.28	196.84	191.88	187.61	184.15	1.92	280.80	248.43	244.40	238.43	229.30	225.74	223.36	220.17	215.24	208.49	202.28	196.84	191.88	187.61	184.15	1.92
1,430.00 – 1,449.99	285.60	253.23	249.20	243.23	234.10	230.54	228.16	224.97	220.04	213.29	207.08	201.64	196.68	192.41	188.95	1.92	285.60	253.23	249.20	243.23	234.10	230.54	228.16	224.97	220.04	213.29	207.08	201.64	196.68	192.41	188.95	1.92
1,450.00 – 1,469.99	290.40	258.03	254.00	248.03	238.90	235.34	232.96	229.77	224.84	218.09	211.88	206.44	201.48	197.21	193.75	1.92	290.40	258.03	254.00	248.03	238.90	235.34	232.96	229.77	224.84	218.09	211.88	206.44	201.48	197.21	193.75	1.92
1,470.00 – 1,489.99	295.20	262.83	258.80	252.83	243.70	240.14	237.76	234.57	229.64	222.89	216.68	211.24	206.28	202.01	198.55	1.92	295.20	262.83	258.80	252.83	243.70	240.14	237.76	234.57	229.64	222.89	216.68	211.24	206.28	202.01	198.55	1.92
1,490.00 – 1,509.99	300.00	267.63	263.60	257.63	248.50	244.94	242.56	239.37	234.44	227.69	221.48	216.04	211.08	206.81	203.35	1.92	300.00	267.63	263.60	257.63	248.50	244.94	242.56	239.37	234.44	227.69	221.48	216.04	211.08	206.81	203.35	1.92
1,510.00 – 1,529.99	304.80	272.43	268.40	262.43	253.30	249.74	247.36	244.17	239.24	232.49	226.28	220.84	215.88	211.61	208.15	1.92	304.80	272.43	268.40	262.43	253.30	249.74	247.36	244.17	239.24	232.49	226.28	220.84	215.88	211.61	208.15	1.92
1,530.00 – 1,549.99	309.60	277.23	273.20	267.23	258.10	254.54	252.16	248.97	244.04	237.29	231.08	225.64	220.68	216.41	212.95	1.92	309.60	277.23	273.20	267.23	258.10	254.54	252.16	248.97	244.04	237.29	231.08	225.64	220.68	216.41	212.95	1.92
1,550.00 – 1,569.99	314.40	282.03	278.00	272.03	262.90	259.34	256.96	253.77	248.84	242.09	235.88	230.44	225.48	221.21	217.75	1.92	314.40	282.03	278.00	272.03	262.90	259.34	256.96	253.77	248.84	242.09	235.88	230.44	225.48	221.21	217.75	1.92
1,560.00 – 1,589.99	319.20	286.83	282.80	276.83	267.70	264.14	261.76	258.57	253.64	246.89	240.68	235.24	230.28	226.01	222.55	1.92	319.20	286.83	282.80	276.83	267.70	264.14	261.76	258.57	253.64	246.89	240.68	235.24	230.28	226.01	222.55	1.92
1,590.00 – 1,609.99	324.00	291.63	287.60	281.63	272.50	268.94	266.56	263.37	258.44	251.69	245.48	240.04	235.08	230.81	227.35	1.92	324.00	291.63	287.60	281.63	272.50	268.94	266.56	263.37	258.44	251.69	245.48	240.04	235.08	230.81	227.35	1.92
1,610.00 – 1,629.99	328.80	296.43	292.40	286.43	277.30	273.74	271.36	268.17	263.24	256.49	250.28	244.84	239.88	235.61	232.15	1.92	328.80	296.43	292.40	286.43	277.30	273.74	271.36	268.17	263.24	256.49	250.28	244.84	239.88	235.61	232.15	1.92
1,630.00 – 1,649.99	333.60	301.23	297.20	291.23	282.10	278.54	276.16	272.97	268.04	261.29	255.08	249.64	244.68	240.41	236.95	1.92	333.60	301.23	297.20	291.23	282.10	278.54	276.16	272.97	268.04	261.29	255.08	249.64	244.68	240.41	236.95	1.92
1,650.00 – 1,669.99	338.40	306.03	302.00	296.03	286.90	283.34	280.96	277.77	272.84	266.09	259.88	254.44	249.48	245.21	241.75	1.92	338.40	306.03	302.00	296.03	286.90	283.34	280.96	277.77	272.84	266.09	259.88	254.44	249.48	245.21	241.75	1.92
1,670.00 – 1,689.99	343.20	310.83	306.80	300.83	291.70	288.14	285.76	282.57	277.64	270.89	264.68	259.24	254.28	250.01	246.55	1.92	343.20	310.83	306.80	300.83	291.70	288.14	285.76	282.57	277.64	270.89	264.68	259.24	254.28	250.01	246.55	1.92
1,690.00 – 1,709.99	348.00	315.63	311.60	305.63	296.50	292.94	290.56	287.37	282.44	275.69	269.48	264.04	259.08	254.81	251.35	1.92	348.00	315.63	311.60	305.63	296.50	292.94	290.56	287.37	282.44	275.69	269.48	264.04	259.08	254.81	251.35	1.92
1,710.00 – 1,729.99	352.80	320.43	316.40	310.43	301.30	297.74	295.36	292.17	287.24	280.49	274.28	268.84	263.88	259.61	256.15	1.92	352.80	320.43	316.40	310.43	301.30	297.74	295.36	292.17	287.24	280.49	274.28	268.84	263.88	259.61	256.15	1.92
1,730.00 – 1,749.99	357.60	325.23	321.20	315.23	306.10	302.54	300.16	296.97	292.04	285.29	279.08	273.64	268.68	264.41	260.95	1.92	357.60	325.23	321.20	315.23	306.10	302.54	300.16	296.97	292.04	285.29	279.08	273.64	268.68	264.41	260.95	1.92
1,750.00 – 1,769.99	362.40	330.03	326.00	320.03	310.90	307.34	304.96	301.77	296.84	290.09	283.88	278.44	273.48	269.21	265.75	1.92	362.40	330.03	326.00	320.03	310.90	307.34	304.96	301.77	296.84	290.09	283.88	278.44	273.48	269.21	265.75	1.92
1,770.00 – 1,789.99	367.20	334.83	330.80	324.83	315.70	312.14	309.76	306.57	301.64	294.89	288.68	283.24	278.28	274.01	270.55	1.92	367.20	334.83	330.80	324.83	315.70	312.14	309.76	306.57	301.64	294.89	288.68	283.24	278.28	274.01	270.55	1.92
1,790.00 – 1,809.99	372.00	339.63	335.60	329.63	320.50	316.94	314.56	311.37	306.44	299.69	293.48	288.04	283.08	278.81	275.35	1.92	372.00	339.63	335.60	329.63	320.50	316.94	314.56	311.37	306.44	299.69	293.48	288.04	283.08	278.81	275.35	1.92
1,810.00 – 1,829.99	376.80	344.43	340.40	334.43	325.30	321.74	319.36	316.17	311.24	304.49	298.28	292.84	287.88	283.61	280.15	1.92	376.80	344.43	340.40	334.43	325.30	321.74	319.36	316.17	311.24	304.49	298.28	292.84	287.88	283.61	280.15	1.92
1,830.00 – 1,849.99	381.60	349.23	345.20	339.23	330.10	326.54	324.16	320.97	316.04	309.29	303.08	297.64	292.68	288.41	284.95	1.92	381.60	349.23	345.20	339.23	330.10	326.54	324.16	320.97	316.04	309.29	303.08	297.64	292.68	288.41	284.95	1.92
1,850.00 – 1,869.99	386.40	354.03	350.00	344.03	334.90	331.34	3																									





**QUÉBEC INCOME TAX – Table 36**

**26 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.											If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in <b>column Z</b> from the amount in column N.				
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z
460.00 – 469.99	74.40	9.67	1.59													
470.00 – 479.99	76.00	11.27	3.19													
480.00 – 489.99	77.60	12.87	4.79													
490.00 – 499.99	79.20	14.47	6.39													
500.00 – 509.99	80.80	16.07	7.99													
510.00 – 519.99	82.40	17.67	9.59													
520.00 – 529.99	84.00	19.27	11.19													
530.00 – 539.99	85.60	20.87	12.79	0.87												
540.00 – 549.99	87.20	22.47	14.39	2.47												
550.00 – 559.99	88.80	24.07	15.99	4.07												
560.00 – 569.99	90.40	25.67	17.59	5.67												
570.00 – 579.99	92.00	27.27	19.19	7.27												
580.00 – 589.99	93.60	28.87	20.79	8.87												
590.00 – 599.99	95.20	30.47	22.39	10.47												
600.00 – 609.99	96.80	32.07	23.99	12.07												
610.00 – 619.99	98.40	33.67	25.59	13.67												
620.00 – 629.99	100.00	35.27	27.19	15.27												
630.00 – 639.99	101.60	36.87	28.79	16.87												
640.00 – 649.99	103.20	38.47	30.39	18.47	0.20											
650.00 – 659.99	104.80	40.07	31.99	20.07	1.80											
660.00 – 669.99	106.40	41.67	33.59	21.67	3.40											
670.00 – 679.99	108.00	43.27	35.19	23.27	5.00											
680.00 – 689.99	109.60	44.87	36.79	24.87	6.60											
690.00 – 699.99	111.20	46.47	38.39	26.47	8.20	1.08										
700.00 – 709.99	112.80	48.07	39.99	28.07	9.80	2.68										
710.00 – 719.99	114.40	49.67	41.59	29.67	11.40	4.28										
720.00 – 729.99	116.00	51.27	43.19	31.27	13.00	5.88	1.12									
730.00 – 739.99	117.60	52.87	44.79	32.87	14.60	7.48	2.72									
740.00 – 749.99	119.20	54.47	46.39	34.47	16.20	9.08	4.32									
750.00 – 759.99	120.80	56.07	47.99	36.07	17.80	10.68	5.92									
760.00 – 769.99	122.40	57.67	49.59	37.67	19.40	12.28	7.52	1.13								
770.00 – 779.99	124.00	59.27	51.19	39.27	21.00	13.88	9.12	2.73								
780.00 – 789.99	125.60	60.87	52.79	40.87	22.60	15.48	10.72	4.33								
790.00 – 799.99	127.20	62.47	54.39	42.47	24.20	17.08	12.32	5.93								
800.00 – 809.99	128.80	64.07	55.99	44.07	25.80	18.68	13.92	7.53								
810.00 – 819.99	130.40	65.67	57.59	45.67	27.40	20.28	15.52	9.13								
820.00 – 829.99	132.00	67.27	59.19	47.27	29.00	21.88	17.12	10.73	0.88							
830.00 – 839.99	133.60	68.87	60.79	48.87	30.60	23.48	18.72	12.33	2.48							
840.00 – 849.99	135.20	70.47	62.39	50.47	32.20	25.08	20.32	13.93	4.08							
850.00 – 859.99	136.80	72.07	63.99	52.07	33.80	26.68	21.92	15.53	5.68							





QUÉBEC INCOME TAX – Table 36

26 pay periods per year

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.																			Z
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N					
2,460.00 – 2,493.99	473.20	410.47	402.39	390.47	372.20	365.08	360.32	353.93	344.08	330.58	318.16	307.28	297.35	288.82	281.89	3.85				
2,500.00 – 2,533.99	484.80	420.07	411.99	400.07	381.80	374.68	369.92	363.53	353.68	340.18	327.76	316.88	306.95	298.42	291.49	3.85				
2,540.00 – 2,573.99	494.40	429.67	421.59	409.67	391.40	384.28	379.52	373.13	363.28	349.78	337.36	326.48	316.55	308.02	301.09	3.85				
2,580.00 – 2,613.99	504.00	439.27	431.19	419.27	401.00	393.88	389.12	382.73	372.88	359.38	346.96	336.08	326.15	317.62	310.69	3.85				
2,620.00 – 2,653.99	513.60	448.87	440.79	428.87	410.60	403.48	398.72	392.33	382.48	368.98	356.56	345.68	335.75	327.22	320.29	3.85				
2,660.00 – 2,693.99	523.20	458.47	450.39	438.47	420.20	413.08	408.32	401.93	392.08	378.58	366.16	355.28	345.35	336.82	329.89	3.85				
2,700.00 – 2,733.99	532.80	468.07	459.99	448.07	429.80	422.68	417.92	411.53	401.68	388.18	375.76	364.88	354.95	346.42	339.49	3.85				
2,740.00 – 2,773.99	542.40	477.67	469.59	457.67	439.40	432.28	427.52	421.13	411.28	397.78	385.36	374.48	364.55	356.02	349.09	3.85				
2,780.00 – 2,813.99	552.00	487.27	479.19	467.27	449.00	441.88	437.12	430.73	420.88	407.38	394.96	384.08	374.15	365.62	358.69	3.85				
2,820.00 – 2,853.99	561.60	496.87	488.79	476.87	458.60	451.48	446.72	440.33	430.48	416.98	404.56	393.68	383.75	375.22	368.29	3.85				
2,860.00 – 2,893.99	571.20	506.47	498.39	486.47	468.20	461.08	456.32	449.93	440.08	426.58	414.16	403.28	393.35	384.82	377.89	3.85				
2,900.00 – 2,933.99	580.80	516.07	507.99	496.07	477.80	470.68	465.92	459.53	449.68	436.18	423.76	412.88	402.95	394.42	387.49	3.85				
2,940.00 – 2,973.99	590.40	525.67	517.59	505.67	487.40	480.28	475.52	469.13	459.28	445.78	433.36	422.48	412.55	404.02	397.09	3.85				
2,980.00 – 3,013.99	600.00	535.27	527.19	515.27	497.00	489.88	485.12	478.73	468.88	455.38	442.96	432.08	422.15	413.62	406.69	3.85				
3,020.00 – 3,053.99	609.60	544.87	536.79	524.87	506.60	499.48	494.72	488.33	478.48	464.98	452.56	441.68	431.75	423.22	416.29	3.85				
3,060.00 – 3,093.99	619.20	554.47	546.39	534.47	516.20	509.08	504.32	497.93	488.08	474.58	462.16	451.28	441.35	432.82	425.89	3.85				
3,100.00 – 3,133.99	628.80	564.07	555.99	544.07	525.80	518.68	513.92	507.53	497.68	484.18	471.76	460.88	450.95	442.42	435.49	3.85				
3,140.00 – 3,173.99	638.40	573.67	565.59	553.67	535.40	528.28	523.52	517.13	507.28	493.78	481.36	470.48	460.55	452.02	445.09	3.85				
3,180.00 – 3,213.99	648.00	583.27	575.19	563.27	545.00	537.88	533.12	526.73	516.88	503.38	490.96	480.08	470.15	461.62	454.69	3.85				
3,220.00 – 3,253.99	657.60	592.87	584.79	572.87	554.60	547.48	542.72	536.33	526.48	512.98	500.56	489.68	479.75	471.22	464.29	3.85				
3,260.00 – 3,293.99	667.20	602.47	594.39	582.47	564.20	557.08	552.32	545.93	536.08	522.58	510.16	499.28	489.35	480.82	473.89	3.85				
3,300.00 – 3,333.99	676.80	612.07	603.99	592.07	573.80	566.68	561.92	555.53	545.68	532.18	519.76	508.88	498.95	490.42	483.49	3.85				
3,340.00 – 3,373.99	686.40	621.67	613.59	601.67	583.40	576.28	571.52	565.13	555.28	541.78	529.36	518.48	508.55	500.02	493.09	3.85				
3,380.00 – 3,413.99	696.00	631.27	623.19	611.27	593.00	585.88	581.12	574.73	564.88	551.38	538.96	528.08	518.15	509.62	502.69	3.85				
3,420.00 – 3,453.99	705.60	640.87	632.79	620.87	602.60	595.48	590.72	584.33	574.48	560.98	548.56	537.68	527.75	519.22	512.29	3.85				
3,460.00 – 3,493.99	715.20	650.47	642.39	630.47	612.20	605.08	600.32	593.93	584.08	570.58	558.16	547.28	537.35	528.82	521.89	3.85				
3,500.00 – 3,533.99	724.80	660.07	651.99	640.07	621.80	614.68	609.92	603.53	593.68	580.18	567.76	556.88	546.95	538.42	531.49	3.85				
3,540.00 – 3,573.99	734.40	669.67	661.59	649.67	631.40	624.28	619.52	613.13	603.28	589.78	577.36	566.48	556.55	548.02	541.09	3.85				
3,580.00 – 3,613.99	744.00	679.27	671.19	659.27	641.00	633.88	629.12	622.73	612.88	599.38	586.96	576.08	566.15	557.62	550.69	3.85				
3,620.00 – 3,653.99	753.60	688.87	680.79	668.87	650.60	643.48	638.72	632.33	622.48	608.98	596.56	585.68	575.75	567.22	560.29	3.85				
3,660.00 – 3,693.99	763.20	698.47	690.39	678.47	660.20	653.08	648.32	641.93	632.08	618.58	606.16	595.28	585.35	576.82	569.89	3.85				
3,700.00 – 3,733.99	772.80	708.07	699.99	688.07	669.80	662.68	657.92	651.53	641.68	628.18	615.76	604.88	594.95	586.42	579.49	3.85				
3,740.00 – 3,773.99	782.40	717.67	709.59	697.67	679.40	672.28	667.52	661.13	651.28	637.78	625.36	614.48	604.55	596.02	589.09	3.85				
3,780.00 – 3,813.99	792.00	727.27	719.19	707.27	689.00	681.88	677.12	670.73	660.88	647.38	634.96	624.08	614.15	605.62	598.69	3.85				
3,820.00 – 3,853.99	801.60	736.87	728.79	716.87	698.60	691.48	686.72	680.33	670.48	656.98	644.56	633.68	623.75	615.22	608.29	3.85				
3,860.00 – 3,893.99	811.20	746.47	738.39	726.47	708.20	701.08	696.32	689.93	680.08	666.58	654.16	643.28	633.35	624.82	617.89	3.85				
3,900.00 – 3,933.99	820.80	756.07	747.99	736.07	717.80	710.68	705.92	700.53	689.68	676.18	663.76	652.88	642.95	634.42	627.49	3.85				
3,940.00 – 3,973.99	830.40	765.67	757.59	745.67	727.40	720.28	715.52	709.13	699.28	685.78	673.36	662.48	652.55	644.02	637.09	3.85				
3,980.00 – 4,013.99	840.00	775.27	767.19	755.27	737.00	729.88	725.12	718.73	708.88	695.38	682.96	672.08	662.15	653.62	646.69	3.85				
4,020.00 – 4,053.99	849.60	784.87	776.79	764.87	746.60	739.48	734.72	728.33	718.48	704.98	692.56	681.68	671.75	663.22	656.29	3.85				

If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.









**QUÉBEC INCOME TAX – Table 36**

**24 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.															If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.				
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z				
885.00 - 904.99	143.20	73.08	64.33	51.41	31.62	23.91	18.74	11.83	1.16											
905.00 - 924.99	146.40	76.28	67.53	54.61	34.82	27.11	21.94	15.02	4.36											
925.00 - 944.99	149.60	79.48	70.73	57.81	38.02	30.31	25.14	18.23	7.56											
945.00 - 964.99	152.80	82.68	73.93	61.01	41.22	33.51	28.34	21.43	10.76											
965.00 - 984.99	156.00	85.88	77.13	64.21	44.42	36.71	31.54	24.63	13.96											
985.00 - 1,004.99	159.20	89.08	80.33	67.41	47.62	39.91	34.74	27.83	17.16	2.53										
1,005.00 - 1,024.99	162.40	92.28	83.53	70.61	50.82	43.11	37.94	31.02	20.36	5.73										
1,025.00 - 1,044.99	165.60	95.48	86.73	73.81	54.02	46.31	41.14	34.23	23.56	8.93										
1,045.00 - 1,064.99	168.80	98.68	89.93	77.01	57.22	49.51	44.34	37.43	26.76	12.13										
1,065.00 - 1,084.99	172.00	101.88	93.13	80.21	60.42	52.71	47.54	40.63	29.96	15.33	1.88									
1,085.00 - 1,104.99	175.67	105.54	96.79	83.88	64.08	56.38	51.21	44.29	33.63	19.00	5.54									
1,105.00 - 1,124.99	179.67	109.54	100.79	87.88	68.08	60.38	55.21	48.29	37.63	23.00	9.54									
1,125.00 - 1,144.99	183.67	113.54	104.79	91.88	72.08	64.38	59.21	52.29	41.63	27.00	13.54	1.75								
1,145.00 - 1,164.99	187.67	117.54	108.79	95.88	76.08	68.38	63.21	56.29	45.63	31.00	17.54	5.75								
1,165.00 - 1,184.99	191.67	121.54	112.79	99.88	80.08	72.38	67.21	60.29	49.63	35.00	21.54	9.75								
1,185.00 - 1,204.99	195.67	125.54	116.79	103.88	84.08	76.38	71.21	64.29	53.63	39.00	25.54	13.75	3.00							
1,205.00 - 1,224.99	199.67	129.54	120.79	107.88	88.08	80.38	75.21	68.29	57.63	43.00	29.54	17.75	7.00							
1,225.00 - 1,244.99	203.67	133.54	124.79	111.88	92.08	84.38	79.21	72.29	61.63	47.00	33.54	21.75	11.00	1.75						
1,245.00 - 1,264.99	207.67	137.54	128.79	115.88	96.08	88.38	83.21	76.29	65.62	51.00	37.54	25.75	15.00	5.75						
1,265.00 - 1,284.99	211.67	141.54	132.79	119.88	100.08	92.38	87.21	80.29	69.62	55.00	41.54	29.75	19.00	9.75	2.25					
1,285.00 - 1,304.99	215.67	145.54	136.79	123.88	104.08	96.38	91.21	84.29	73.62	59.00	45.54	33.75	23.00	13.75	6.25	4.17				
1,305.00 - 1,324.99	219.67	149.54	140.79	127.88	108.08	100.38	95.21	88.29	77.62	63.00	49.54	37.75	27.00	17.75	10.25	4.17				
1,325.00 - 1,344.99	223.67	153.54	144.79	131.88	112.08	104.38	99.21	92.29	81.62	67.00	53.54	41.75	31.00	21.75	14.25	4.17				
1,345.00 - 1,364.99	227.67	157.54	148.79	135.88	116.08	108.38	103.21	96.29	85.62	71.00	57.54	45.75	35.00	25.75	18.25	4.17				
1,365.00 - 1,384.99	231.67	161.54	152.79	139.88	120.08	112.38	107.21	100.29	89.62	75.00	61.54	49.75	39.00	29.75	22.25	4.17				
1,385.00 - 1,404.99	235.67	165.54	156.79	143.88	124.08	116.38	111.21	104.29	93.62	79.00	65.54	53.75	43.00	33.75	26.25	4.17				
1,405.00 - 1,424.99	239.67	169.54	160.79	147.88	128.08	120.38	115.21	108.29	97.62	83.00	69.54	57.75	47.00	37.75	30.25	4.17				
1,425.00 - 1,444.99	243.67	173.54	164.79	151.88	132.08	124.38	119.21	112.29	101.62	87.00	73.54	61.75	51.00	41.75	34.25	4.17				
1,445.00 - 1,464.99	247.67	177.54	168.79	155.88	136.08	128.38	123.21	116.29	105.62	91.00	77.54	65.75	55.00	45.75	38.25	4.17				
1,465.00 - 1,484.99	251.67	181.54	172.79	159.88	140.08	132.38	127.21	120.29	109.62	95.00	81.54	69.75	59.00	49.75	42.25	4.17				
1,485.00 - 1,504.99	255.67	185.54	176.79	163.88	144.08	136.38	131.21	124.29	113.62	99.00	85.54	73.75	63.00	53.75	46.25	4.17				
1,505.00 - 1,524.99	259.67	189.54	180.79	167.88	148.08	140.38	135.21	128.29	117.62	103.00	89.54	77.75	67.00	57.75	50.25	4.17				
1,525.00 - 1,544.99	263.67	193.54	184.79	171.88	152.08	144.38	139.21	132.29	121.62	107.00	93.54	81.75	71.00	61.75	54.25	4.17				
1,545.00 - 1,564.99	267.67	197.54	188.79	175.88	156.08	148.38	143.21	136.29	125.62	111.00	97.54	85.75	75.00	65.75	58.25	4.17				
1,565.00 - 1,584.99	271.67	201.54	192.79	179.88	160.08	152.38	147.21	140.29	129.63	115.00	101.54	89.75	79.00	69.75	62.25	4.17				
1,585.00 - 1,604.99	275.67	205.54	196.79	183.88	164.08	156.38	151.21	144.29	133.63	119.00	105.54	93.75	83.00	73.75	66.25	4.17				
1,605.00 - 1,624.99	279.67	209.54	200.79	187.88	168.08	160.38	155.21	148.29	137.63	123.00	109.54	97.75	87.00	77.75	70.25	4.17				
1,625.00 - 1,644.99	283.67	213.54	204.79	191.88	172.08	164.38	159.21	152.29	141.63	127.00	113.54	101.75	91.00	81.75	74.25	4.17				
1,645.00 - 1,664.99	287.67	217.54	208.79	195.88	176.08	168.38	163.21	156.29	145.63	131.00	117.54	105.75	95.00	85.75	78.25	4.17				
1,665.00 - 1,684.99	291.67	221.54	212.79	199.88	180.08	172.38	167.21	160.29	149.63	135.00	121.54	109.75	99.00	89.75	82.25	4.17				



**QUÉBEC INCOME TAX – Table 36**

**24 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.											If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.																		
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z	N	M	L	K	J	I	H	G	F	E	D	C	B	A
2,485.00 – 2,524.99	471.20	401.07	392.32	379.41	359.62	351.91	346.74	339.82	329.16	314.53	301.07	289.28	278.53	269.28	261.78	4.17	261.78	269.28	278.53	289.28	301.07	314.53	329.16	346.74	351.91	359.62	379.41	392.32	401.07	471.20
2,525.00 – 2,564.99	480.80	410.67	401.92	389.01	369.22	361.51	356.34	349.42	338.76	324.13	310.67	298.88	288.13	278.88	271.38	4.17	271.38	278.88	288.13	298.88	310.67	324.13	349.42	356.34	361.51	369.22	389.01	401.92	410.67	480.80
2,565.00 – 2,604.99	490.40	420.27	411.52	398.61	378.82	371.11	365.94	359.02	348.36	333.73	320.27	308.48	297.73	288.48	280.98	4.17	280.98	288.48	297.73	308.48	320.27	333.73	359.02	365.94	371.11	378.82	398.61	411.52	420.27	490.40
2,605.00 – 2,644.99	500.00	429.88	421.13	408.21	388.42	380.71	375.54	368.63	357.96	343.33	329.88	318.08	307.33	298.08	290.58	4.17	290.58	298.08	307.33	318.08	329.88	343.33	375.54	380.71	388.42	408.21	421.13	429.88	500.00	
2,645.00 – 2,684.99	509.60	439.47	430.72	417.81	398.02	390.31	385.14	378.22	367.56	352.93	339.47	327.68	316.93	307.68	300.18	4.17	300.18	307.68	316.93	327.68	339.47	352.93	385.14	390.31	398.02	417.81	430.72	439.47	509.60	
2,685.00 – 2,724.99	519.20	449.07	440.32	427.41	407.62	399.91	394.74	387.82	377.16	362.53	349.07	337.28	326.53	317.28	309.78	4.17	309.78	317.28	326.53	337.28	349.07	362.53	394.74	399.91	407.62	427.41	440.32	449.07	519.20	
2,725.00 – 2,764.99	528.80	458.67	449.92	437.01	417.22	409.51	404.34	397.42	386.76	372.13	358.67	346.88	336.13	326.88	319.38	4.17	319.38	326.88	336.13	346.88	358.67	372.13	404.34	409.51	417.22	437.01	449.92	458.67	528.80	
2,765.00 – 2,804.99	538.40	468.27	459.52	446.61	426.82	419.11	413.94	407.02	396.36	381.73	368.27	356.48	345.73	336.48	328.98	4.17	328.98	336.48	345.73	356.48	368.27	381.73	413.94	419.11	426.82	446.61	459.52	468.27	538.40	
2,805.00 – 2,844.99	548.00	477.88	469.13	456.21	436.42	428.71	423.54	416.63	405.96	391.33	377.88	366.08	355.33	346.08	338.58	4.17	338.58	346.08	355.33	366.08	377.88	391.33	423.54	428.71	436.42	456.21	469.13	477.88	548.00	
2,845.00 – 2,884.99	557.60	487.47	478.72	465.81	446.02	438.31	433.14	426.22	415.56	400.93	387.47	375.68	364.93	355.68	348.18	4.17	348.18	355.68	364.93	375.68	387.47	400.93	433.14	438.31	446.02	465.81	478.72	487.47	557.60	
2,885.00 – 2,924.99	567.20	497.07	488.32	475.41	455.62	447.91	442.74	435.82	425.16	410.53	397.07	385.28	374.53	365.28	357.78	4.17	357.78	365.28	374.53	385.28	397.07	410.53	442.74	447.91	455.62	475.41	488.32	497.07	567.20	
2,925.00 – 2,964.99	576.80	506.67	497.92	485.01	465.22	457.51	452.34	445.42	434.76	420.13	406.67	394.88	384.13	374.88	367.38	4.17	367.38	374.88	384.13	394.88	406.67	420.13	452.34	457.51	465.22	485.01	497.92	506.67	576.80	
2,965.00 – 3,004.99	586.40	516.27	507.52	494.61	474.82	467.11	461.94	455.02	444.36	429.73	416.27	404.48	393.73	384.48	376.98	4.17	376.98	384.48	393.73	404.48	416.27	429.73	461.94	467.11	474.82	494.61	507.52	516.27	586.40	
3,005.00 – 3,044.99	596.00	525.88	517.13	504.21	484.42	476.71	471.54	464.63	453.96	439.33	425.88	414.08	403.33	394.08	386.58	4.17	386.58	394.08	403.33	414.08	425.88	439.33	471.54	476.71	484.42	504.21	517.13	525.88	596.00	
3,045.00 – 3,084.99	605.60	535.48	526.73	513.81	494.02	486.31	481.14	474.22	463.56	448.93	435.47	423.68	412.93	403.68	396.18	4.17	396.18	403.68	412.93	423.68	435.47	448.93	481.14	486.31	494.02	513.81	526.73	535.48	605.60	
3,085.00 – 3,124.99	615.20	545.07	536.32	523.41	503.62	495.91	490.74	483.82	473.16	458.53	445.07	433.28	422.53	413.28	405.78	4.17	405.78	413.28	422.53	433.28	445.07	458.53	490.74	495.91	503.62	523.41	536.32	545.07	615.20	
3,125.00 – 3,164.99	624.80	554.67	545.92	533.01	513.22	505.51	500.34	493.42	482.76	468.13	454.67	442.88	432.13	422.88	415.38	4.17	415.38	422.88	432.13	442.88	454.67	468.13	500.34	505.51	513.22	533.01	545.92	554.67	624.80	
3,165.00 – 3,204.99	634.40	564.27	555.52	542.61	522.82	515.11	509.94	503.02	492.36	477.73	464.27	452.48	441.73	432.48	424.98	4.17	424.98	432.48	441.73	452.48	464.27	477.73	509.94	515.11	522.82	542.61	555.52	564.27	634.40	
3,205.00 – 3,244.99	644.00	573.88	565.13	552.21	532.42	524.71	519.54	512.63	501.96	487.33	473.88	462.08	451.33	442.08	434.58	4.17	434.58	442.08	451.33	462.08	473.88	487.33	519.54	524.71	532.42	552.21	565.13	573.88	644.00	
3,245.00 – 3,284.99	653.60	583.48	574.73	561.81	542.02	534.31	529.14	522.23	511.56	496.93	483.47	471.68	460.93	451.68	444.18	4.17	444.18	451.68	460.93	471.68	483.47	496.93	529.14	534.31	542.02	561.81	574.73	583.48	653.60	
3,285.00 – 3,324.99	663.20	593.07	584.32	571.41	551.62	543.91	538.74	531.82	521.16	506.53	493.07	481.28	470.53	461.28	453.78	4.17	453.78	461.28	470.53	481.28	493.07	506.53	538.74	543.91	551.62	571.41	584.32	593.07	663.20	
3,325.00 – 3,364.99	672.80	602.67	593.92	581.01	561.22	553.51	548.34	541.42	530.76	516.13	502.67	490.88	480.13	470.88	463.38	4.17	463.38	470.88	480.13	490.88	502.67	516.13	548.34	553.51	561.22	581.01	593.92	602.67	672.80	
3,365.00 – 3,404.99	682.40	612.27	603.52	590.61	570.82	563.11	557.94	551.02	540.36	525.73	512.27	500.48	489.73	480.48	472.98	4.17	472.98	480.48	489.73	500.48	512.27	525.73	557.94	563.11	570.82	590.61	603.52	612.27	682.40	
3,405.00 – 3,444.99	692.00	621.88	613.13	600.21	580.42	572.71	567.54	560.63	549.96	535.33	521.88	510.08	499.33	490.08	482.58	4.17	482.58	490.08	499.33	510.08	521.88	535.33	567.54	572.71	580.42	600.21	613.13	621.88	692.00	
3,445.00 – 3,484.99	701.60	631.47	622.72	609.81	590.02	582.31	577.14	570.22	559.56	544.93	531.47	519.68	508.93	499.68	492.18	4.17	492.18	499.68	508.93	519.68	531.47	544.93	577.14	582.31	590.02	609.81	622.72	631.47	701.60	
3,485.00 – 3,524.99	711.20	641.07	632.32	619.41	599.62	591.91	586.74	579.82	569.16	554.53	541.07	529.28	518.53	509.28	501.78	4.17	501.78	509.28	518.53	529.28	541.07	554.53	586.74	591.91	599.62	619.41	632.32	641.07	711.20	
3,525.00 – 3,564.99	720.80	650.68	641.93	629.01	609.22	601.51	596.34	589.43	578.76	564.13	550.68	538.88	528.13	518.88	511.38	4.17	511.38	518.88	528.13	538.88	550.68	564.13	596.34	601.51	609.22	629.01	641.93	650.68	720.80	
3,565.00 – 3,604.99	730.40	660.27	651.52	638.61	618.82	611.11	605.94	599.02	588.36	573.73	560.27	548.48	537.73	528.48	520.98	4.17	520.98	528.48	537.73	548.48	560.27	573.73	605.94	611.11	618.82	638.61	651.52	660.27	730.40	
3,605.00 – 3,644.99	740.00	669.88	661.13	648.21	628.42	620.71	615.54	608.63	597.96	583.33	569.88	558.08	547.33	538.08	530.58	4.17	530.58	538.08	547.33	558.08	569.88	583.33	615.54	620.71	628.42	648.21	661.13	669.88	740.00	
3,645.00 – 3,684.99	749.60	679.47	670.72	657.81	638.02	630.31	625.14	618.22	607.56	592.93	579.47	567.68	556.93	547.68	540.18	4.17	540.18	547.68	556.93	567.68	579.47	592.93	625.14	630.31	638.02	657.81	670.72	679.47	749.60	
3,685.00 – 3,724.99	759.20	689.07	680.32	667.41	647.62	639.91	634.74	627.82	617.16	602.53	589.07	577.28	566.53	557.28	549.78	4.17	549.78	557.28	566.53	577.28	589.07	602.53	634.74	639.91	647.62	667.41	680.32	689.07	759.20	
3,725.00 – 3,764.99	768.80	698.68	689.93	677.01	657.22	649.51	644.34	637.43	626.76	612.13	598.68	586.88	576.13	566.88	559.38	4.17	559.38	566.88	576.13	586.88	598.68	612.13	644.34	649.51	657.22	677.01	689.93	698.68	768.80	
3,765.00 – 3,804.99	778.40	708.27	699.52	686.61	666.82	659.11	653.94	647.02	636.36	621.73	608.27	596.48	585.73	576.48	568.98	4.17	568.98	576.48	585.73	596.48	608.27	621.73	653.94	659.11	666.82	686.61	699.52	708.27	778.40	
3,805.00 – 3,844.99	788.00	717.88	709.13	696.21	676.42	668.71	663.54	656.63	645.96	631.33	617.88	606.08	595.33	586.08	578.58	4.17	578.58	586.08	595.33	606.08	617.88	631.33	663.54	668.71	676.42	696.21	709.13	717.88	788.00	
3,845.00 – 3,884.99</																														

QUÉBEC INCOME TAX – Table 36

24 pay periods per year

Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.

If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.

Remuneration subject to source deductions. Use the appropriate bracket.	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z
4,085.00 – 4,164.99	860.00	789.88	781.13	768.21	748.42	740.71	735.54	728.63	717.96	703.33	689.88	678.08	667.33	658.08	650.58	4.17
4,165.00 – 4,244.99	875.20	809.07	800.32	787.41	767.62	759.91	754.74	747.82	737.16	722.53	709.07	697.28	686.53	677.28	669.78	4.17
4,245.00 – 4,324.99	898.40	828.27	819.52	806.61	786.82	779.11	773.94	767.02	756.36	741.73	728.27	716.48	705.73	696.48	688.98	4.17
4,325.00 – 4,404.99	917.60	847.47	838.72	825.81	806.02	798.31	793.14	786.22	775.56	760.93	747.47	735.68	724.93	715.68	708.18	4.17
4,405.00 – 4,484.99	936.80	866.68	857.93	845.01	825.22	817.51	812.34	805.43	794.76	780.13	766.68	754.88	744.13	734.88	727.38	4.17
4,485.00 – 4,564.99	956.00	885.88	877.13	864.21	844.42	836.71	831.54	824.63	813.96	799.33	785.88	774.08	763.33	754.08	746.58	4.17
4,565.00 – 4,644.99	975.20	905.07	896.32	883.41	863.62	855.91	850.74	843.82	833.16	818.53	805.07	793.28	782.53	773.28	765.78	4.17
4,645.00 – 4,724.99	994.40	924.27	915.52	902.61	882.82	875.11	869.94	863.02	852.36	837.73	824.27	812.48	801.73	792.48	784.98	4.17
4,725.00 – 4,804.99	1,013.60	943.47	934.72	921.81	902.02	894.31	889.14	882.22	871.56	856.93	843.47	831.68	820.93	811.68	804.18	4.17
4,805.00 – 4,884.99	1,032.80	962.68	953.93	941.01	921.22	913.51	908.34	901.43	890.76	876.13	862.68	850.88	840.13	830.88	823.38	4.17
4,885.00 – 4,964.99	1,052.00	981.88	973.13	960.21	940.42	932.71	927.54	920.63	909.96	895.33	881.88	870.08	859.33	850.08	842.58	4.17
4,965.00 – 5,044.99	1,071.20	1,001.07	992.32	979.41	959.62	951.91	946.74	939.82	929.16	914.53	901.07	889.28	878.53	869.28	861.78	4.17
5,045.00 – 5,124.99	1,090.40	1,020.27	1,011.52	998.61	978.82	971.11	965.94	959.02	948.36	933.73	920.27	908.48	897.73	888.48	880.98	4.17
5,125.00 – 5,204.99	1,109.60	1,039.47	1,030.72	1,017.81	998.02	990.31	985.14	978.22	967.56	952.93	939.47	927.68	916.93	907.68	900.18	4.17
5,205.00 – 5,284.99	1,128.80	1,058.67	1,049.92	1,037.01	1,017.22	1,009.51	1,004.34	997.42	986.76	972.13	958.67	946.88	936.13	926.88	919.38	4.17
5,285.00 – 5,364.99	1,148.00	1,077.88	1,069.13	1,056.21	1,036.42	1,028.71	1,023.54	1,016.63	1,005.96	991.33	977.88	966.08	955.33	946.08	938.58	4.17
5,365.00 – 5,444.99	1,167.20	1,097.08	1,088.33	1,075.41	1,055.62	1,047.91	1,042.74	1,035.83	1,025.16	1,010.53	997.07	985.28	974.53	965.28	957.78	4.17
5,445.00 – 5,524.99	1,186.40	1,116.27	1,107.52	1,094.61	1,074.82	1,067.11	1,061.94	1,055.02	1,044.36	1,029.73	1,016.27	1,004.48	993.73	984.48	976.98	4.17
5,525.00 – 5,604.99	1,205.60	1,135.47	1,126.72	1,113.81	1,094.02	1,086.31	1,081.14	1,074.22	1,063.56	1,048.93	1,035.47	1,023.68	1,012.93	1,003.68	996.18	4.17
5,605.00 – 5,684.99	1,224.80	1,154.67	1,145.92	1,133.01	1,113.22	1,105.51	1,100.34	1,093.42	1,082.76	1,068.13	1,054.67	1,042.88	1,032.13	1,022.88	1,015.38	4.17
5,685.00 – 5,764.99	1,244.00	1,173.88	1,165.13	1,152.21	1,132.42	1,124.71	1,119.54	1,112.63	1,101.96	1,087.33	1,073.88	1,062.08	1,051.33	1,042.08	1,034.58	4.17
5,765.00 – 5,844.99	1,263.20	1,193.08	1,184.33	1,171.41	1,151.62	1,143.91	1,138.74	1,131.83	1,121.16	1,106.53	1,093.08	1,081.28	1,070.53	1,061.28	1,053.78	4.17
5,845.00 – 5,924.99	1,282.40	1,212.27	1,203.52	1,190.61	1,170.82	1,163.11	1,157.94	1,151.02	1,140.36	1,125.73	1,112.27	1,100.48	1,089.73	1,080.48	1,072.98	4.17
5,925.00 – 6,004.99	1,301.60	1,231.47	1,222.72	1,209.81	1,190.02	1,182.31	1,177.14	1,170.22	1,159.56	1,144.93	1,131.47	1,119.68	1,108.93	1,099.68	1,092.18	4.17
6,005.00 – 6,084.99	1,320.80	1,250.67	1,241.92	1,229.01	1,209.22	1,201.51	1,196.34	1,189.42	1,178.76	1,164.13	1,150.67	1,138.88	1,128.13	1,118.88	1,111.38	4.17
6,085.00 – 6,164.99	1,340.00	1,269.88	1,261.13	1,248.21	1,228.42	1,220.71	1,215.54	1,208.63	1,197.96	1,183.33	1,169.88	1,158.08	1,147.33	1,138.08	1,130.58	4.17
6,165.00 – 6,244.99	1,359.20	1,289.08	1,280.33	1,267.41	1,247.62	1,239.91	1,234.74	1,227.83	1,217.16	1,202.53	1,189.08	1,177.28	1,166.53	1,157.28	1,149.78	4.17
6,245.00 – 6,324.99	1,378.40	1,308.27	1,299.52	1,286.61	1,266.82	1,259.11	1,253.94	1,247.02	1,236.36	1,221.73	1,208.27	1,196.48	1,185.73	1,176.48	1,168.98	4.17
6,325.00 – 6,404.99	1,397.60	1,327.48	1,318.73	1,305.81	1,286.02	1,278.31	1,273.14	1,266.23	1,255.56	1,240.93	1,227.48	1,215.68	1,204.93	1,195.68	1,188.18	4.17
6,405.00 – 6,484.99	1,416.80	1,346.67	1,337.92	1,325.01	1,305.22	1,297.51	1,292.34	1,285.42	1,274.76	1,260.13	1,246.67	1,234.88	1,224.13	1,214.88	1,207.38	4.17
6,485.00 – 6,564.99	1,436.00	1,365.88	1,357.13	1,344.21	1,324.42	1,316.71	1,311.54	1,304.63	1,293.96	1,279.33	1,265.88	1,254.08	1,243.33	1,234.08	1,226.58	4.17
6,565.00 – 6,644.99	1,455.20	1,385.07	1,376.32	1,363.41	1,343.62	1,335.91	1,330.74	1,323.82	1,313.16	1,298.53	1,285.07	1,273.28	1,262.53	1,253.28	1,245.78	4.17
6,645.00 – 6,724.99	1,474.40	1,404.27	1,395.52	1,382.61	1,362.82	1,355.11	1,349.94	1,343.02	1,332.36	1,317.73	1,304.27	1,292.48	1,281.73	1,272.48	1,264.98	4.17
6,725.00 – 6,804.99	1,493.60	1,423.48	1,414.73	1,401.81	1,382.02	1,374.31	1,369.14	1,362.23	1,351.56	1,336.93	1,323.48	1,311.68	1,300.93	1,291.68	1,284.18	4.17
6,805.00 – 6,884.99	1,512.80	1,442.67	1,433.92	1,421.01	1,401.22	1,393.51	1,388.34	1,381.42	1,370.76	1,356.13	1,342.67	1,330.88	1,320.13	1,310.88	1,303.38	4.17
6,885.00 – 6,964.99	1,532.00	1,461.88	1,453.13	1,440.21	1,420.42	1,412.71	1,407.54	1,400.63	1,389.96	1,375.33	1,361.88	1,350.08	1,339.33	1,330.08	1,322.58	4.17
6,965.00 – 7,044.99	1,551.20	1,481.07	1,472.32	1,459.41	1,439.62	1,431.91	1,426.74	1,419.83	1,409.16	1,394.53	1,381.07	1,369.28	1,358.53	1,349.28	1,341.78	4.17
7,045.00 – 7,124.99	1,570.40	1,500.27	1,491.52	1,478.61	1,458.82	1,451.11	1,445.94	1,439.02	1,428.36	1,413.73	1,400.27	1,388.48	1,377.73	1,368.48	1,360.98	4.17
7,125.00 – 7,204.99	1,589.60	1,519.48	1,510.73	1,497.81	1,478.02	1,470.31	1,465.14	1,458.23	1,447.56	1,432.93	1,419.48	1,407.68	1,396.93	1,387.68	1,380.18	4.17
7,205.00 – 7,284.99	1,608.80	1,538.67	1,529.92	1,517.01	1,497.22	1,489.51	1,484.34	1,477.42	1,466.76	1,452.13	1,438.67	1,426.88	1,416.13	1,406.88	1,399.38	4.17

## QUÉBEC INCOME TAX – Table 36

### 12 pay periods per year

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.													Z		
	O	A	B	C	D	E	F	G	H	I	J	K	L		M	N
650.00 – 657.99	104.64															
658.00 – 665.99	105.92															
666.00 – 673.99	107.20															
674.00 – 681.99	108.48															
682.00 – 689.99	109.76															
690.00 – 697.99	111.04															
698.00 – 705.99	112.32															
706.00 – 713.99	113.60															
714.00 – 721.99	114.88															
722.00 – 729.99	116.16															
730.00 – 737.99	117.44															
738.00 – 745.99	118.72															
746.00 – 753.99	120.00															
754.00 – 761.99	121.28															
762.00 – 769.99	122.56															
770.00 – 777.99	123.84															
778.00 – 785.99	125.12															
786.00 – 793.99	126.40															
794.00 – 801.99	127.68															
802.00 – 809.99	128.96															
810.00 – 817.99	130.24															
818.00 – 825.99	131.52															
826.00 – 833.99	132.80															
834.00 – 841.99	134.08															
842.00 – 849.99	135.36															
850.00 – 857.99	136.64															
858.00 – 865.99	137.92															
866.00 – 873.99	139.20															
874.00 – 881.99	140.48	0.23														
882.00 – 889.99	141.76	1.51														
890.00 – 897.99	143.04	2.79														
898.00 – 905.99	144.32	4.07														
906.00 – 913.99	145.60	5.35														
914.00 – 921.99	146.88	6.63														
922.00 – 929.99	148.16	7.91														
930.00 – 937.99	149.44	9.19														
938.00 – 945.99	150.72	10.47														
946.00 – 953.99	152.00	11.75														
954.00 – 961.99	153.28	13.03														
962.00 – 969.99	154.56	14.31														

If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in **column Z** from the amount in column **N**.







**QUÉBEC INCOME TAX – Table 36**

**12 pay periods per year**

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.												If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.											
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z	Z							
3,370.00 – 3,409.99	591.33	451.08	433.58	407.75	368.17	352.75	342.42	328.58	307.25	278.00	251.08	227.50	206.00	187.50	172.50	8.33								
3,410.00 – 3,449.99	599.33	459.08	441.58	415.75	376.17	360.75	350.42	336.58	315.25	286.00	259.08	235.50	214.00	195.50	180.50	8.33								
3,450.00 – 3,489.99	607.33	467.08	449.58	423.75	384.17	368.75	358.42	344.58	323.25	294.00	267.08	243.50	222.00	203.50	188.50	8.33								
3,490.00 – 3,529.99	615.33	475.08	457.58	431.75	392.17	376.75	366.42	352.58	331.25	302.00	275.08	251.50	230.00	211.50	196.50	8.33								
3,530.00 – 3,569.99	623.33	483.08	465.58	439.75	400.17	384.75	374.42	360.58	339.25	310.00	283.08	259.50	238.00	219.50	204.50	8.33								
3,570.00 – 3,609.99	631.33	491.08	473.58	447.75	408.17	392.75	382.42	368.58	347.25	318.00	291.08	267.50	246.00	227.50	212.50	8.33								
3,610.00 – 3,649.99	639.33	499.08	481.58	455.75	416.17	400.75	390.42	376.58	355.25	326.00	299.08	275.50	254.00	235.50	220.50	8.33								
3,650.00 – 3,689.99	647.33	507.08	489.58	463.75	424.17	408.75	398.42	384.58	363.25	334.00	307.08	283.50	262.00	243.50	228.50	8.33								
3,690.00 – 3,729.99	655.33	515.08	497.58	471.75	432.17	416.75	406.42	392.58	371.25	342.00	315.08	291.50	270.00	251.50	236.50	8.33								
3,730.00 – 3,769.99	663.33	523.08	505.58	479.75	440.17	424.75	414.42	400.58	379.25	350.00	323.08	299.50	278.00	259.50	244.50	8.33								
3,770.00 – 3,809.99	671.33	531.08	513.58	487.75	448.17	432.75	422.42	408.58	387.25	358.00	331.08	307.50	286.00	267.50	252.50	8.33								
3,810.00 – 3,849.99	679.33	539.08	521.58	495.75	456.17	440.75	430.42	416.58	395.25	366.00	339.08	315.50	294.00	275.50	260.50	8.33								
3,850.00 – 3,889.99	687.33	547.08	529.58	503.75	464.17	448.75	438.42	424.58	403.25	374.00	347.08	323.50	302.00	283.50	268.50	8.33								
3,890.00 – 3,929.99	695.33	555.08	537.58	511.75	472.17	456.75	446.42	432.58	411.25	382.00	355.08	331.50	310.00	291.50	276.50	8.33								
3,930.00 – 3,969.99	703.33	563.08	545.58	519.75	480.17	464.75	454.42	440.58	419.25	390.00	363.08	339.50	318.00	299.50	284.50	8.33								
3,970.00 – 4,009.99	711.33	571.08	553.58	527.75	488.17	472.75	462.42	448.58	427.25	398.00	371.08	347.50	326.00	307.50	292.50	8.33								
4,010.00 – 4,049.99	719.33	579.08	561.58	535.75	496.17	480.75	470.42	456.58	435.25	406.00	379.08	355.50	334.00	315.50	300.50	8.33								
4,050.00 – 4,089.99	727.33	587.08	569.58	543.75	504.17	488.75	478.42	464.58	443.25	414.00	387.08	363.50	342.00	323.50	308.50	8.33								
4,090.00 – 4,129.99	735.33	595.08	577.58	551.75	512.17	496.75	486.42	472.58	451.25	422.00	395.08	371.50	350.00	331.50	316.50	8.33								
4,130.00 – 4,169.99	743.33	603.08	585.58	559.75	520.17	504.75	494.42	480.58	459.25	430.00	403.08	379.50	358.00	339.50	324.50	8.33								
4,170.00 – 4,209.99	751.33	611.08	593.58	567.75	528.17	512.75	502.42	488.58	467.25	438.00	411.08	387.50	366.00	347.50	332.50	8.33								
4,210.00 – 4,249.99	759.33	619.08	601.58	575.75	536.17	520.75	510.42	496.58	475.25	446.00	419.08	395.50	374.00	355.50	340.50	8.33								
4,250.00 – 4,289.99	767.33	627.08	609.58	583.75	544.17	528.75	518.42	504.58	483.25	454.00	427.08	403.50	382.00	363.50	348.50	8.33								
4,290.00 – 4,329.99	775.33	635.08	617.58	591.75	552.17	536.75	526.42	512.58	491.25	462.00	435.08	411.50	390.00	371.50	356.50	8.33								
4,330.00 – 4,369.99	784.00	643.75	626.25	600.42	560.83	545.42	535.08	521.25	499.92	470.67	443.75	420.17	398.67	380.17	365.17	8.33								
4,370.00 – 4,409.99	793.60	653.35	635.85	610.02	570.43	555.02	544.68	530.85	509.52	480.27	453.35	429.77	408.27	389.77	374.77	8.33								
4,410.00 – 4,449.99	803.20	662.95	645.45	619.62	580.03	564.62	554.28	540.45	519.12	489.87	462.95	439.37	417.87	399.37	384.37	8.33								
4,450.00 – 4,489.99	812.80	672.55	655.05	629.22	589.63	574.22	563.88	550.05	528.72	499.47	472.55	448.97	427.47	408.97	393.97	8.33								
4,490.00 – 4,529.99	822.40	682.15	664.65	638.82	599.23	583.82	573.48	559.65	538.32	509.07	482.15	458.57	437.07	418.57	403.57	8.33								
4,530.00 – 4,569.99	832.00	691.75	674.25	648.42	608.83	593.42	583.08	569.25	547.92	518.67	491.75	468.17	446.67	428.17	413.17	8.33								
4,570.00 – 4,609.99	841.60	701.35	683.85	658.02	618.43	603.02	592.68	578.85	557.52	528.27	501.35	477.77	456.27	437.77	422.77	8.33								
4,610.00 – 4,649.99	851.20	710.95	693.45	667.62	628.03	612.62	602.28	588.45	567.12	537.87	510.95	487.37	465.87	447.37	432.37	8.33								
4,650.00 – 4,689.99	860.80	720.55	703.05	677.22	637.63	622.22	611.88	598.05	576.72	547.47	520.55	496.97	475.47	456.97	441.97	8.33								
4,690.00 – 4,729.99	870.40	730.15	712.65	686.82	647.23	631.82	621.48	607.65	586.32	557.07	530.15	506.57	485.07	466.57	451.57	8.33								
4,730.00 – 4,769.99	880.00	739.75	722.25	696.42	656.83	641.42	631.08	617.25	595.92	566.67	539.75	516.17	494.67	476.17	461.17	8.33								
4,770.00 – 4,809.99	889.60	749.35	731.85	706.02	666.43	651.02	640.68	626.85	605.52	576.27	549.35	525.77	504.27	485.77	470.77	8.33								
4,810.00 – 4,849.99	899.20	758.95	741.45	715.62	676.03	660.62	650.28	636.45	615.12	585.87	558.95	535.37	513.87	495.37	480.37	8.33								
4,850.00 – 4,889.99	908.80	768.55	751.05	725.22	686.63	670.22	659.88	646.05	624.72	595.47	568.55	544.97	523.47	504.97	489.97	8.33								
4,890.00 – 4,929.99	918.40	778.15	760.65	734.82	696.82	679.82	669.48	655.65	634.32	605.07	578.15	554.57	533.07	514.57	499.57	8.33								
4,930.00 – 4,969.99	928.00	787.75	770.25	744.42	704.83	689.42	679.08	665.25	643.92	614.67	587.75	564.17	542.67	524.17	509.17	8.33								



QUÉBEC INCOME TAX – Table 36

12 pay periods per year

Remuneration subject to source deductions. Use the appropriate bracket.	Deduct from each pay the amount in the column corresponding to the deduction code on the employee's TP-1015.3-V form.												If the amount on line 7 of form TP-1015.3-V exceeds \$25,900, you must subtract, for each increment of \$500 (or portion thereof), the amount in column Z from the amount in column N.																			
	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z	O	A	B	C	D	E	F	G	H	I	J	K	L	M	N	Z
8170.00 – 8,329.99	1,720.00	1,579.75	1,502.25	1,536.42	1,496.83	1,481.42	1,471.08	1,457.25	1,435.92	1,406.67	1,379.75	1,356.17	1,334.67	1,316.17	1,301.17	8.33	1,720.00	1,579.75	1,502.25	1,536.42	1,496.83	1,481.42	1,471.08	1,457.25	1,435.92	1,406.67	1,379.75	1,356.17	1,334.67	1,316.17	1,301.17	8.33
8,330.00 – 8,489.99	1,758.40	1,618.15	1,600.65	1,574.82	1,535.23	1,519.82	1,509.48	1,495.65	1,474.32	1,445.07	1,418.15	1,394.57	1,373.07	1,354.57	1,339.57	8.33	1,758.40	1,618.15	1,600.65	1,574.82	1,535.23	1,519.82	1,509.48	1,495.65	1,474.32	1,445.07	1,418.15	1,394.57	1,373.07	1,354.57	1,339.57	8.33
8,490.00 – 8,649.99	1,796.80	1,656.55	1,639.05	1,613.22	1,573.63	1,558.22	1,547.88	1,534.05	1,512.72	1,483.47	1,456.55	1,432.97	1,411.47	1,392.97	1,377.97	8.33	1,796.80	1,656.55	1,639.05	1,613.22	1,573.63	1,558.22	1,547.88	1,534.05	1,512.72	1,483.47	1,456.55	1,432.97	1,411.47	1,392.97	1,377.97	8.33
8,650.00 – 8,809.99	1,833.20	1,694.95	1,677.45	1,651.62	1,612.03	1,596.62	1,586.28	1,572.45	1,551.12	1,521.87	1,494.95	1,471.37	1,449.87	1,431.37	1,416.37	8.33	1,833.20	1,694.95	1,677.45	1,651.62	1,612.03	1,596.62	1,586.28	1,572.45	1,551.12	1,521.87	1,494.95	1,471.37	1,449.87	1,431.37	1,416.37	8.33
8,810.00 – 8,969.99	1,873.60	1,733.35	1,715.85	1,690.02	1,650.43	1,635.02	1,624.68	1,610.85	1,589.52	1,560.27	1,533.35	1,509.77	1,488.27	1,469.77	1,454.77	8.33	1,873.60	1,733.35	1,715.85	1,690.02	1,650.43	1,635.02	1,624.68	1,610.85	1,589.52	1,560.27	1,533.35	1,509.77	1,488.27	1,469.77	1,454.77	8.33
8,970.00 – 9,129.99	1,912.00	1,771.75	1,754.25	1,728.42	1,688.83	1,673.42	1,663.08	1,649.25	1,627.92	1,598.67	1,571.75	1,548.17	1,526.67	1,508.17	1,493.17	8.33	1,912.00	1,771.75	1,754.25	1,728.42	1,688.83	1,673.42	1,663.08	1,649.25	1,627.92	1,598.67	1,571.75	1,548.17	1,526.67	1,508.17	1,493.17	8.33
9,130.00 – 9,289.99	1,950.40	1,810.15	1,792.65	1,766.82	1,727.23	1,711.82	1,701.48	1,687.65	1,666.32	1,637.07	1,610.15	1,586.57	1,565.07	1,546.57	1,531.57	8.33	1,950.40	1,810.15	1,792.65	1,766.82	1,727.23	1,711.82	1,701.48	1,687.65	1,666.32	1,637.07	1,610.15	1,586.57	1,565.07	1,546.57	1,531.57	8.33
9,290.00 – 9,449.99	1,988.80	1,848.55	1,831.05	1,805.22	1,765.63	1,750.22	1,739.88	1,726.05	1,704.72	1,675.47	1,648.55	1,624.97	1,603.47	1,584.97	1,569.97	8.33	1,988.80	1,848.55	1,831.05	1,805.22	1,765.63	1,750.22	1,739.88	1,726.05	1,704.72	1,675.47	1,648.55	1,624.97	1,603.47	1,584.97	1,569.97	8.33
9,450.00 – 9,609.99	2,027.20	1,886.95	1,869.45	1,843.62	1,804.03	1,788.62	1,778.28	1,764.45	1,743.12	1,713.87	1,686.95	1,663.37	1,641.87	1,623.37	1,608.37	8.33	2,027.20	1,886.95	1,869.45	1,843.62	1,804.03	1,788.62	1,778.28	1,764.45	1,743.12	1,713.87	1,686.95	1,663.37	1,641.87	1,623.37	1,608.37	8.33
9,610.00 – 9,769.99	2,065.60	1,925.35	1,907.85	1,882.02	1,842.43	1,827.02	1,816.68	1,802.85	1,781.52	1,752.27	1,725.35	1,701.77	1,680.27	1,661.77	1,646.77	8.33	2,065.60	1,925.35	1,907.85	1,882.02	1,842.43	1,827.02	1,816.68	1,802.85	1,781.52	1,752.27	1,725.35	1,701.77	1,680.27	1,661.77	1,646.77	8.33
9,770.00 – 9,929.99	2,104.00	1,963.75	1,946.25	1,920.42	1,880.83	1,865.42	1,855.08	1,841.25	1,819.92	1,790.67	1,763.75	1,740.17	1,718.67	1,700.17	1,685.17	8.33	2,104.00	1,963.75	1,946.25	1,920.42	1,880.83	1,865.42	1,855.08	1,841.25	1,819.92	1,790.67	1,763.75	1,740.17	1,718.67	1,700.17	1,685.17	8.33
9,930.00 – 10,089.99	2,142.40	2,002.15	1,984.65	1,958.82	1,919.23	1,903.82	1,893.48	1,879.65	1,858.32	1,829.07	1,802.15	1,778.57	1,757.07	1,738.57	1,723.57	8.33	2,142.40	2,002.15	1,984.65	1,958.82	1,919.23	1,903.82	1,893.48	1,879.65	1,858.32	1,829.07	1,802.15	1,778.57	1,757.07	1,738.57	1,723.57	8.33
10,090.00 – 10,249.99	2,180.80	2,040.55	2,023.05	1,997.22	1,957.63	1,942.22	1,931.88	1,918.05	1,896.72	1,867.47	1,840.55	1,816.97	1,795.47	1,776.97	1,761.97	8.33	2,180.80	2,040.55	2,023.05	1,997.22	1,957.63	1,942.22	1,931.88	1,918.05	1,896.72	1,867.47	1,840.55	1,816.97	1,795.47	1,776.97	1,761.97	8.33
10,250.00 – 10,409.99	2,219.20	2,078.95	2,061.45	2,035.62	1,996.03	1,980.62	1,970.28	1,956.45	1,935.12	1,905.87	1,878.95	1,855.37	1,833.87	1,815.37	1,800.37	8.33	2,219.20	2,078.95	2,061.45	2,035.62	1,996.03	1,980.62	1,970.28	1,956.45	1,935.12	1,905.87	1,878.95	1,855.37	1,833.87	1,815.37	1,800.37	8.33
10,410.00 – 10,569.99	2,257.60	2,117.35	2,099.85	2,074.02	2,034.43	2,019.02	2,008.68	1,994.85	1,973.52	1,944.27	1,917.35	1,893.77	1,872.27	1,853.77	1,838.77	8.33	2,257.60	2,117.35	2,099.85	2,074.02	2,034.43	2,019.02	2,008.68	1,994.85	1,973.52	1,944.27	1,917.35	1,893.77	1,872.27	1,853.77	1,838.77	8.33
10,570.00 – 10,729.99	2,296.00	2,155.75	2,138.25	2,112.42	2,072.83	2,057.42	2,047.08	2,033.25	2,011.92	1,982.67	1,955.75	1,932.17	1,910.67	1,892.17	1,877.17	8.33	2,296.00	2,155.75	2,138.25	2,112.42	2,072.83	2,057.42	2,047.08	2,033.25	2,011.92	1,982.67	1,955.75	1,932.17	1,910.67	1,892.17	1,877.17	8.33
10,730.00 – 10,889.99	2,334.40	2,194.15	2,176.65	2,150.82	2,111.23	2,095.82	2,085.48	2,071.65	2,050.32	2,021.07	1,994.15	1,970.57	1,949.07	1,930.57	1,915.57	8.33	2,334.40	2,194.15	2,176.65	2,150.82	2,111.23	2,095.82	2,085.48	2,071.65	2,050.32	2,021.07	1,994.15	1,970.57	1,949.07	1,930.57	1,915.57	8.33
10,890.00 – 11,049.99	2,372.80	2,232.55	2,215.05	2,189.22	2,149.63	2,134.22	2,123.88	2,110.05	2,088.72	2,059.47	2,032.55	2,008.97	1,987.47	1,968.97	1,953.97	8.33	2,372.80	2,232.55	2,215.05	2,189.22	2,149.63	2,134.22	2,123.88	2,110.05	2,088.72	2,059.47	2,032.55	2,008.97	1,987.47	1,968.97	1,953.97	8.33
11,050.00 – 11,209.99	2,411.20	2,270.95	2,253.45	2,227.62	2,188.03	2,172.62	2,162.28	2,148.45	2,127.12	2,097.87	2,070.95	2,047.37	2,025.87	2,007.37	1,992.37	8.33	2,411.20	2,270.95	2,253.45	2,227.62	2,188.03	2,172.62	2,162.28	2,148.45	2,127.12	2,097.87	2,070.95	2,047.37	2,025.87	2,007.37	1,992.37	8.33
11,210.00 – 11,369.99	2,449.60	2,309.35	2,291.85	2,266.02	2,226.43	2,211.02	2,200.68	2,186.85	2,165.52	2,136.27	2,109.35	2,085.77	2,064.27	2,045.77	2,030.77	8.33	2,449.60	2,309.35	2,291.85	2,266.02	2,226.43	2,211.02	2,200.68	2,186.85	2,165.52	2,136.27	2,109.35	2,085.77	2,064.27	2,045.77	2,030.77	8.33
11,370.00 – 11,529.99	2,488.00	2,347.75	2,330.25	2,304.42	2,264.83	2,249.42	2,239.08	2,225.25	2,203.92	2,174.67	2,147.75	2,124.17	2,102.67	2,084.17	2,069.17	8.33	2,488.00	2,347.75	2,330.25	2,304.42	2,264.83	2,249.42	2,239.08	2,225.25	2,203.92	2,174.67	2,147.75	2,124.17	2,102.67	2,084.17	2,069.17	8.33
11,530.00 – 11,689.99	2,526.40	2,386.15	2,368.65	2,342.82	2,303.23	2,287.82	2,277.48	2,263.65	2,242.32	2,213.07	2,186.15	2,162.57	2,141.07	2,122.57	2,107.57	8.33	2,526.40	2,386.15	2,368.65	2,342.82	2,303.23	2,287.82	2,277.48	2,263.65	2,242.32	2,213.07	2,186.15	2,162.57	2,141.07	2,122.57	2,107.57	8.33
11,690.00 – 11,849.99	2,564.80	2,424.55	2,407.05	2,381.22	2,341.63	2,326.22	2,315.88	2,302.05	2,280.72	2,251.47	2,224.55	2,200.97	2,179.47	2,160.97	2,145.97	8.33	2,564.80	2,424.55	2,407.05	2,381.22	2,341.63	2,326.22	2,315.88	2,302.05	2,280.72	2,251.47	2,224.55	2,200.97	2,179.47	2,160.97	2,145.97	8.33
11,850.00 – 12,009.99	2,603.20	2,462.95	2,445.45	2,419.62	2,380.03	2,364.62	2,354.28	2,340.45	2,319.12	2,289.87	2,262.95	2,239.37	2,217.87	2,199.37	2,184.37	8.33	2,603.20	2,462.95	2,445.45	2,419.62	2,380.03	2,364.62	2,354.28	2,340.45	2,319.12	2,289.87	2,262.95	2,239.37	2,217.87	2,199.37	2,184.37	8.33
12,010.00 – 12,169.99	2,641.60	2,501.35	2,483.85	2,458.02	2,418.43	2,403.02	2,392.68	2,378.85	2,357.52	2,328.27	2,301.35	2,277.77	2,256.27	2,237.77	2,222.77	8.33	2,641.60	2,501.35	2,483.85	2,458.02	2,418.43	2,403.02	2,392.68	2,378.85	2,357.52	2,328.27	2,301.35	2,277.77	2,256.27	2,237.77	2,222.77	8.33
12,170.00 – 12,329.99	2,680.00	2,539.75	2,522.25	2,496.42	2,456.83	2,441.42	2,431.08	2,417.25	2,395.92	2,366.67	2,339.75	2,316.17	2,294.67	2,276.17	2,261.17	8.33	2,680.00	2,539.75	2,522.25	2,496.42	2,456.83	2,441.42	2,431.08	2,417.25	2,395.92	2,366.67	2,339.75	2,316.17	2,294.67	2,276.17	2,261.17	8.33
12,330.00 – 12,489.99	2,718.40	2,578.15	2,560.65	2,534.82	2,495.23	2,479.82	2,469.48	2,455.65	2,434.32	2,405.07	2,378.15	2,354.57	2,333.07	2,314.57	2,299.57	8.33	2,718.40	2,578.15	2,560.65	2,534.82	2,495.23	2,479.82	2,469.48	2,455.65	2,434.32	2,405.07						



## Draft Regulations

### Draft Regulation

An Act respecting the conservation and development of wildlife  
(R.S.Q., c. C-61.1)

#### Aquaculture and sale of fish — Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting aquaculture and the sale of fish, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The purpose of the draft Regulation is to promote certain aspects of the fish-breeding production of Québec by lifting certain prohibitions and withdrawing certain requirements. It also proposes several amendments which are intended to relax regulatory provisions for fish-breeding undertakings. Other measures further the practice of sport fishing and commercial fishing according to their respective purpose where those activities are practised on the same body of water with respect to the same species of fish.

To that end, the Regulation proposes to lift the prohibition to breed fish in cages, to withdraw the obligation to label Atlantic farmed salmon, to add new species to the list of fish whose sale is prohibited when caught sportively. It also includes changes to the fish-breeding activities in certain fish-breeding areas according to the species of fish and various technical changes that may facilitate the practice of those activities.

To date, study of the matter has shown no negative impact for undertakings in the fish-breeding field. The proposed measures contribute to the development of certain sectors of aquaculture and are intended to relax administrative provisions for undertakings. The prohibition to sell new species of fish caught sportively will enhance the marketing of the catches carried out by commercial fishermen through the inspection of food network of the Ministère de l'Agriculture, des Pêcheries et de l'Alimentation while limiting the underground economic activity in that field and the wide soliciting of halieutic species.

Further information may be obtained by contacting Paul-J. Arsenault, Société de la faune et des parc du Québec, Direction des territoires fauniques et de la réglementation, 675, boulevard René-Lévesque Est, 11<sup>e</sup> étage, boîte 96, Québec (Québec) G1R 5V7.

Telephone: (418) 521-3880, extension 4767  
Fax: (418) 646-5179  
E-mail: paul-j.arsenault@fapaq.gouv.qc.ca

Any interested person having comments to make is asked to send them in writing, before the expiry of the 45-day period, to the Minister responsible for Wildlife and Parks, 700, boulevard René-Lévesque Est, 29<sup>e</sup> étage, Québec (Québec) G1R 5H1.

GUY CHEVRETTE,  
*Minister responsible for Wildlife and Parks*

### Regulation to amend the Regulation respecting aquaculture and the sale of fish\*

An Act respecting the conservation and development of wildlife  
(R.S.Q., c. C-61.1, ss. 49, 70, 73, pars. 1 to 3 and 6, and s. 162, pars. 9, 10, 14, 16 and 23; 2000, c. 48, ss. 6, 12 and 13)

1. The Regulation respecting aquaculture and the sale of fish is amended in section 4

(1) by substituting the following for the third paragraph:

“Live American eels, brown or yellow bullheads or stonecats, catfish or carp caught under a commercial fishing licence may be transported in any fish-breeding area, where such transport takes them to a processing plant or to consumer markets.”;

\* The Regulation respecting aquaculture and the sale of fish, made by Order in Council 1302-94 dated 17 August 1994 (1994, *G.O.* 2, 3951), was last amended by the Regulation made by Order in Council 1439-98 dated 27 November 1998 (1998, *G.O.* 2, 4607). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 November 2000.

(2) by substituting the following for the fifth paragraph:

“The transport of live fish in transit intended for exportation outside Québec or intended for importation to a fish-breeding area where fish-breeding activities outlined in Schedule I are permitted in respect of the species of fish provided for in that Schedule is authorized in all the areas.”.

2. Section 5 is revoked.

3. The following is substituted for sections 6 and 7:

“6. To obtain a licence to operate a breeding pond, each person shall submit an application to the Société de la faune et des parcs du Québec containing the following information:

- (1) the person’s name and address;
- (2) the species of fish intended to be bred;
- (3) the location of the breeding ponds and a description of those facilities.

7. To obtain a licence to operate a fish-tank for baitfish, each person shall submit an application to the Société containing the following information:

- (1) the person’s name and address;
- (2) the location of the fish-tanks for baitfish and a description of those facilities.”.

4. The following is substituted for section 9:

“9. A licence to operate a breeding pond or a licence to operate a fish-tank for baitfish shall be renewed if the holder of the permit submits an application to the Société, accompanied by the report on operations for the year preceding that for which the renewal is applied, and pays the fee prescribed under the Regulation respecting the scale of fees and duties related to the development of wildlife made by Order in Council 1291-91 dated 18 September 1991.

The report on operations shall contain, according to the class of the licence, the following information:

- (1) for a licence to operate a breeding pond:
  - (a) the holder’s name and address; and

(b) purchases and annual production attained for each fish species and age category;

(2) for a licence to operate a fish-tank for baitfish:

(a) the holder’s name and address; and

(b) catches, purchases, sales and end-of-year inventories for all the fish.”.

5. The following is inserted after section 10:

“10.1. The holder of a licence to operate a breeding pond may only breed the species of fish indicated on the licence and in the facilities and at the location also indicated thereon.

10.2. The holder of a licence to operate a fish-tank for baitfish must operate the fish-tank for baitfish at the location indicated on the licence.”.

6. The following is substituted for sections 11 and 12:

“11. To obtain a licence to transport and stock or a licence to transport, each person shall submit an application to the Société containing the following information:

- (1) the person’s name and address;
- (2) the species, number and size of the fish to be transported or stocked;
- (3) the place of origin and destination of the fish; and
- (4) the scheduled date of transport or stocking.

That person must also submit to the Société an inventory report made by the holder of a college diploma or a university degree in a field related to biological science attesting to the presence in the body of water of the species to be stocked if it belongs to one of the species or classes of fish outlined in Schedule I, whose presence in the body of water constitutes a condition of stocking.

12. No licence to transport is required in the following cases:

- (1) for the holder of a sport fishing licence where the holder transports baitfish for his fishing;
- (2) for the holder of a commercial fishing licence for baitfish;



(3) for the holder of a licence to operate a breeding pond, a fish-tank for baitfish, a fish-breeding plant or a fishing pond where its holder transports fish to or from facilities of another holder of one of those licences.”.

7. Sections 13 to 17 are revoked.

8. The following is substituted for sections 18 to 20:

“**18.** The holder of a licence to transport and stock or a licence to transport may only transport or stock the species, number and size of the fish indicated on the licence.

He must also transport those fish from the place of origin to the destination indicated on the licence while respecting the maximum number of authorized transports indicated thereon and stock them, as the case may be, at the destination also indicated thereon.

**19.** The holder of a licence to transport and stock or a licence to transport shall carry the licence with him throughout the duration of the transport or stocking.

**20.** To obtain a licence to extract roe and milt and to transport, each person shall submit an application to the Société containing the following:

- (1) the person’s name and address;
- (2) the species of fish, their sex and size as well as the maximum number of each species from which roe and milt is to be extracted;
- (3) the place of origin and destination of the fish.

That person must also hold a licence issued for scientific, educational or management purposes under section 19 of the Québec Fishery Regulations which authorizes him to fish for the fish referred to in subparagraph 2 of the first paragraph.

**20.1.** The holder of a licence to extract roe and milt and to transport may only extract roe and milt and only from the species of fish whose sex and size correspond to those outlined in the licence and only for the maximum number that is indicated thereon. Also, they may only transport those fish from the place of origin to the destination which are both indicated on the licence.”.

9. Section 21 is amended by striking out “and shall show it to a wildlife conservation officer on request”.

10. The following is substituted for section 30:

“**30.** The sale of dead fish of the following species is prohibited:

- (1) largemouth bass (*Micropterus salmoides*);
- (2) smallmouth bass (*Micropterus dolomieu*);
- (3) American shad (*Alosa sapidissima*);
- (4) gizzard shad (*Dorosoma cepedianum*);
- (5) American eel (*Anguilla rostrata*);
- (6) white bass (*Morone chrysops*);
- (7) brown bullhead (*Ameiurus nebulosus*);
- (8) stonecat (*Noturus flavus*);
- (9) yellow bullhead (*Ameiurus natalis*);
- (10) channel catfish (*Ictalurus punctatus*);
- (11) striped bass (*Morone saxatilis*);
- (12) chain pickerel (*Esox niger*);
- (13) carp (*Cyprinus carpio*);
- (14) copper redhorse (*Moxostoma hubbsi*);
- (15) river redhorse (*Moxostoma carinatum*);
- (16) longear sunfish (*Lepomis megalotis*);
- (17) bluegill (*Lepomis macrochirus*);
- (18) rock bass (*Ambloplites rupestris*);
- (19) pumpkinseed (*Lepomis gibbosus*);
- (20) yellow walleye (*Stizostedion vitreum*);
- (21) sauger (*Stizostedion canadense*);
- (22) rainbow smelt (*Osmerus mordax*);
- (23) pygmy smelt (*Osmerus spectrum*);
- (24) lake sturgeon (*Acipenser fulvescens*);

- (25) Atlantic sturgeon (*Acipenser oxyrinchus*);
- (26) northern pike (*Esox lucius*);
- (27) burbot (*Lota lota*);
- (28) black crappie (*Pomoxis nigromaculatus*);
- (29) muskellunge (*Esox masquinongy*);
- (30) Arctic char (*Salvelinus alpinus*);
- (31) brook trout (*Salvelinus fontinalis*);
- (32) splake trout or splake 2 trout (*Salvelinus namaycush* x *Salvelinus fontinalis*);
- (33) yellow perch (*Perca flavescens*);
- (34) Atlantic salmon (*Salmo salar*);
- (35) tench (*Tinca tinca*);
- (36) lake trout (*Salvelinus namaycush*);
- (37) rainbow trout (*Oncorhynchus mykiss*); or
- (38) brown trout (*Salmo trutta*).

Notwithstanding the foregoing, the sale of any class of fish of a species referred to in the first paragraph is authorized where those fish are caught by the holder of a commercial fishing licence issued under the Québec Fishery Regulations, are sold by the holder of a licence to operate a fishing pond or, come from a fish-breeding plant; their sale is also authorized where those fish are imported and were caught by the holder of a commercial fishing licence or are commercially bred, in accordance with the statutes and regulations of another province, territory of Canada or another country.”.

**11.** Section 31 is revoked.

**12.** Section 32 is amended by substituting the number “30” for the number “31”.

**13.** The following is substituted for sections 33 to 35:

“**33.** The sale of any species of live fish is prohibited except for those of a saltwater species.

Notwithstanding the foregoing, the sale of live fish is authorized where they are sold by the holder of a licence to operate a fish-breeding plant, by the holder of a commercial fishing licence or by the holder of a licence to operate a fishing pond to another holder of a licence to operate a fishing pond or to a holder of a licence to operate a fish-breeding plant.

**34.** The sale of live or dead baitfish is prohibited.

Notwithstanding the foregoing, the sale of those fish is authorized where they are sold by the holder of a commercial fishing licence for baitfish or by the holder of a licence to operate a fish-tank for baitfish; any person is authorized to sell dead baitfish where those fish were caught by the holder of a commercial fishing licence for baitfish, were obtained from the holder of a licence to operate a fish-tank for baitfish or are imported.

**35.** The infringement of any provision of section 4, 8, 10, 10.1, 10.2, 18, 19, 20.1, 21, 30, 32, 33 or 34 constitutes an infraction.”.

**14.** Schedule I attached hereto is substituted for Schedule I.

**15.** This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

## SCHEDULE I

PRODUCTION, STOCKING, KEEPING IN CAPTIVITY, BREEDING AND TRANSPORT  
OF FISH IN FISH-BREEDING AREAS

Item	Column I Species or class of fish	Column II Fish-breeding areas	Column III Activity	Column IV Condition of stocking
1	Largemouth bass ( <i>Micropterus salmoides</i> ) Smallmouth bass ( <i>Micropterus dolomieu</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 11, 13, 15	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Keeping in captivity Stocking Transport	Species already present in the body of water
2	American eel ( <i>Anguilla rostrata</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 22, 23, 24, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12, 16	Transport	
3	White bass ( <i>Morone chrysops</i> ) Striped bass ( <i>Morone saxatilis</i> )	(1) 3, 4, 5, 6, 7, 8, 9, 10, 15, 18, 19, 21, 23	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
			(2) 16	Transport
4	Brown bullhead ( <i>Ameiurus nebulosus</i> ) Stonecat ( <i>Noturus flavus</i> ) Yellow bullhead ( <i>Ameiurus natalis</i> ) Channel catfish ( <i>Ictalurus punctatus</i> ) Carp ( <i>Cyprinus carpio</i> )	4, 5, 6, 7, 8, 9, 10, 15	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
5	Yellow walleye ( <i>Stizostedion vitreum</i> ) of a genetic line that originated in the St. Lawrence watershed in Québec	(1) 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 18, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 16	Transport	

Item	Column I Species or class of fish	Column II Fish-breeding areas	Column III Activity	Column IV Condition of stocking
6	Yellow walleye of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
7	Sauger ( <i>Stizostedion canadense</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 16	Transport	
8	All the freshwater molluscs of a genetic line that originated in the fish-breeding area, except zebra mussels and quagga mussels	All areas	Production Keeping in captivity Breeding Transport	
9	All the freshwater crustaceans of a genetic line that originated in a fish-breeding area	All areas	Production Keeping in captivity Breeding Transport	
10	Lake sturgeon ( <i>Acipenser fulvescens</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 11, 13, 15, 23, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Transport	
11	Atlantic sturgeon ( <i>Acipenser oxyrinchus</i> )	2, 3, 4, 5, 6, 7, 15, 19, 21, 23	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
12	Northern pike ( <i>Esox lucius</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 16	Transport	

<b>Item</b>	<b>Column I Species or class of fish</b>	<b>Column II Fish-breeding areas</b>	<b>Column III Activity</b>	<b>Column IV Condition of stocking</b>
13	Lake whitefish ( <i>Coregonus clupeaformis</i> )	(1) 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 16	Transport	
14	Lake whitefish of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
15	Lake whitefish of a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
16	Lake whitefish of a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
17	Hybrids developed only from species authorized for the area, except splake trout or splake 2 trout	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 22, 23, 24, 28	Production Keeping in captivity Breeding Transport	
		(2) 12, 16	Transport	
18	Muskellunge ( <i>Esox masquinongy</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 15	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
19	Common sucker ( <i>Catostomus commersoni</i> ) Northern sucker ( <i>Catostomus catostomus</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 28	Production Keeping in captivity Breeding Transport	
		(2) 12, 16	Transport	

Item	Column I Species or class of fish	Column II Fish-breeding areas	Column III Activity	Column IV Condition of stocking
20	Anadromous Arctic char ( <i>Salvelinus alpinus</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 22, 23, 24, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12, 16	Transport	
21	Anadromous Arctic char of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
22	Anadromous Arctic char of a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
23	Anadromous Arctic char of a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
24	Landlocked Arctic char	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 23, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12, 16	Transport	
		(3) 21, 22, 24	Production Keeping in captivity Breeding Transport	
25	Landlocked Arctic char in a genetic line that originated in Area 16	16	Keeping in captivity Stocking	Species already present in the body of water
26	Landlocked Arctic char in a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	Species already present in the body of water
27	Landlocked Arctic char in a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water

<b>Item</b>	<b>Column I Species or class of fish</b>	<b>Column II Fish-breeding areas</b>	<b>Column III Activity</b>	<b>Column IV Condition of stocking</b>
28	Landlocked Arctic char in a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
29	Landlocked Arctic char in a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
30	Anadramous brook trout ( <i>Salvelinus fontinalis</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 15, 19, 23	Production Keeping in captivity Breeding Stocking Transport	
		(2) 11, 13, 14, 18, 20, 21, 22, 24, 28	Production Keeping in captivity Breeding Transport	
		(3) 12, 16	Transport	
31	Anadramous brook trout of a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	
32	Anadramous brook trout of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	
33	Anadramous brook trout of a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	
34	Anadramous brook trout of a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	

<b>Item</b>	<b>Column I Species or class of fish</b>	<b>Column II Fish-breeding areas</b>	<b>Column III Activity</b>	<b>Column IV Condition of stocking</b>
35	Landlocked brook trout	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 18, 19, 23, 28	Production Keeping in captivity Breeding Stocking Transport	
		(2) 12	Keeping in captivity Stocking Transport	
		(3) 16	Transport	
		(4) 21, 22, 24	Production Keeping in captivity Breeding Transport	
36	Landlocked brook trout of a genetic line that originated in Area 1	1	Keeping in captivity Stocking Transport	
37	Landlocked brook trout of a genetic line that originated in Area 16	16	Keeping in captivity Stocking	
38	Landlocked brook trout of a genetic line that originated in Area 20	20	Keeping in captivity Stocking Transport	
39	Landlocked brook trout of a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	
40	Landlocked brook trout of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	
41	Landlocked brook trout of a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	
42	Landlocked brook trout of a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	



Item	Column I Species or class of fish	Column II Fish-breeding areas	Column III Activity	Column IV Condition of stocking
43	Splake trout and splake 2 trout ( <i>Salvelinus namaycush</i> x <i>Salvelinus fontinalis</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 21, 28	Production Keeping in captivity Breeding Transport	
		(2) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 19 and 28, except in the bodies of water referred to in Schedule III	Stocking	
		(3) 12, 16	Transport	
44	Yellow perch ( <i>Perca flavescens</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 13, 15	Production Keeping in captivity Breeding Transport	
		(2) 12	Transport	
45	Anadromous Atlantic salmon ( <i>Salmo salar</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 20, 23, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12	Transport	
		(3) 16	Keeping in captivity Breeding Transport	Species already present in the body of water
		(4) 21, 22, 24	Production Keeping in captivity Breeding Transport	
46	Anadromous Atlantic salmon of a genetic line that originated in Area 1	1	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
47	Anadromous Atlantic salmon of a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	Species already present in the body of water
48	Anadromous Atlantic salmon of a genetic line that originated in Ungava Bay	27	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water

<b>Item</b>	<b>Column I Species or class of fish</b>	<b>Column II Fish-breeding areas</b>	<b>Column III Activity</b>	<b>Column IV Condition of stocking</b>
49	Freshwater Atlantic salmon (Ouananiche)	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 19, 23, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12, 16	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 18, 21, 22, 24	Production Keeping in captivity Breeding Transport	
50	Freshwater Atlantic salmon (Ouananiche) of a genetic line that originated in Area 18	18	Stocking	Species already present in the body of water
51	Freshwater Atlantic salmon (Ouananiche) of a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	Species already present in the body of water
52	Freshwater Atlantic salmon (Ouananiche) of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
53	Lake trout ( <i>Salvelinus namaycush</i> )	(1) 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 18, 19, 23, 28	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
		(2) 12, 16	Keeping in captivity Stocking Transport	Species already present in the body of water
		(3) 21, 22, 24	Production Keeping in captivity Breeding Transport	
54	Lake trout of a genetic line that originated in Areas 21, 22 or 24	21, 22, 24	Stocking	Species already present in the body of water
55	Lake trout of a genetic line that originated in the James Bay watershed	25	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water

Item	Column I Species or class of fish	Column II Fish-breeding areas	Column III Activity	Column IV Condition of stocking
56	Lake trout of a genetic line that originated in the Hudson Bay watershed	26	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
57	Lake trout of a genetic line that originated in the Ungava Bay watershed	27	Production Keeping in captivity Breeding Stocking Transport	Species already present in the body of water
58	Rainbow trout ( <i>Oncorhynchus mykiss</i> ) Brown trout ( <i>Salmo trutta</i> )	(1) 4, 5, 6, 7, 8, 9, 10, 13 and 15, except in the bodies of water referred to in Schedule III	Production Keeping in captivity Breeding Stocking Transport	
		(2) 12	Transport	

4359

## Draft Regulation

An Act respecting the Régie du logement  
(R.S.Q., c. R-8.1)

### Code of ethics of the commissioners of the Régie du logement

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Code of ethics of the commissioners of the Régie du logement, the text of which appears below, may be made by the Government, upon the expiry of 45 days following this publication.

The Code of ethics establishes the rules of conduct and duties of commissioners towards the public, the parties, the witnesses and the persons representing them; it describes, in particular, conduct derogatory to the honour, dignity or integrity of the commissioners. It also determines activities or situations that are incompatible with their office, obligations concerning the disclosure of interest and the duties they may perform gratuitously.

The Code of ethics also includes particular rules for part-time commissioners and special clerks.

Further information may be obtained by contacting M<sup>e</sup> Ginette Chartrand at the Régie du logement, rez-dechaussée, bureau 2360, Pyramide Ouest (D), 5199, rue Sherbrooke Est, Village olympique, Montréal (Québec) H1T 3X1, tel: (514) 864-1689 or fax (514) 873-6805.

Any person having comments to make on the matter is asked to send them in writing, before the expiry of the 45-day period, to the undersigned, Ministère des Affaires municipales et de la Métropole, aile Chauveau, édifice Jean-Baptiste-De La Salle, 20, rue Pierre-Olivier-Chauveau, 3<sup>e</sup> étage, Québec (Québec) G1R 4J3.

LOUISE HAREL,  
*Minister of Municipal Affairs and Greater Montréal,*  
*Responsible for the Régie du logement*

### Code of ethics of the commissioners of the Régie du logement

An Act respecting the Régie du logement  
(R.S.Q., c. R-8.1, ss. 8 and 108, 1st par. subparagraph. 6)

#### DIVISION I GENERAL

1. The purpose of this Code is to set out the rules of conduct and the duties of commissioners, in order to ensure public trust in the impartial and independent performance of their duties.

2. Commissioners shall ensure the proper conduct of hearings and render justice under the applicable rules of law.

## **DIVISION II**

### **COMMISSIONERS' DUTIES**

3. Commissioners shall perform their duties with honour, dignity, integrity and diligence.
4. Commissioners shall perform their duties with full independence and without any interference.
5. Commissioners shall uphold the integrity of their office and defend its independence, in the higher interest of justice.
6. Commissioners shall be clearly impartial and objective.
7. Commissioners shall perform their duties showing appropriate consideration towards everyone without discrimination.
8. Commissioners shall show respect and courtesy towards those appearing before them, while exercising the authority necessary for the proper conduct of the hearing.
9. Commissioners shall respect the confidentiality of deliberations.
10. Commissioners are bound to discretion regarding any matter brought to their knowledge in the performance of their duties and to respect the confidential nature of the information thus obtained.
11. Commissioners shall take the necessary measures to keep up-to-date and improve the knowledge and skills necessary to perform their duties.
12. Commissioners shall be reserved in public.
13. Commissioners shall avoid any situation or activity from which could arise a conflict between their personal interests and the requirements of their duties.
14. Commissioners shall disclose to the chairman of the Board any direct or indirect interest that they have in a business likely to bring about conflict between their personal interests and the duties of their office.
15. Commissioners shall avoid getting involved in any activity or putting themselves in any situation likely to undermine the dignity of their office or discredit the Board.

16. Commissioners shall be politically neutral and shall not engage in any partisan political activity that is incompatible with the performance of their duties.

17. Commissioners may gratuitously perform duties within non-profit organizations insofar as they do not compromise their impartiality or the effective performance of their duties.

18. The following is incompatible with the performance of their duties :

(1) soliciting or collecting donations, except in the case of small-scale community, school, religious or family activities that do not compromise other duties imposed by this Code, or associating their status to those activities;

(2) being part of an organization likely to be involved in matters before the Board.

## **DIVISION III**

### **PROVISIONS SPECIFIC TO PART-TIME COMMISSIONERS AND SPECIAL CLERKS**

19. Giving legal advice in fields within the expertise of the Board is incompatible with the performance of the duties of part-time commissioners or special clerks to the extent that their impartiality and the effective performance of their duties are compromised.

20. Part-time commissioners may not act on behalf of a party before the Board.

21. This Code shall apply, *mutatis mutandis*, to special clerks appointed under the Act respecting the Régie du logement.

## **DIVISION IV**

### **FINAL**

22. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

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## Draft Regulation

An Act respecting municipal taxation  
(R.S.Q., c. F-2.1)

### Municipal taxation

— **Form or minimum content of various documents**  
— **Amendments**

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the form or minimum content of various documents relative to municipal taxation, the text of which appears below, may be made by the Minister of Municipal Affairs and Greater Montréal upon the expiry of 45 days following this publication.

The purpose of the draft Regulation is to amend the Regulation respecting the form or minimum content of various documents relative to municipal taxation to take into account the possibility for local municipalities to use a multiple rate scheme and to take into account the replacement of the concept of “place of business” by “business establishment”.

Therefore, the draft Regulation proposes adding to the minimum content of the notice of assessment and tax account information relating to the implementation of a multiple rate scheme, similar to present requirements for surtax or non-residential immovable tax purposes. It also proposes replacing the term “place of business” by “business establishment” and, consequently, prescribing a new form for applications for the review of a roll of rental values while allowing the continued use of the old form.

To date, study of the matter has revealed no impact on the general public or on businesses.

Further information may be obtained by contacting Mr. André Carrier, 10, rue Pierre-Olivier-Chauveau, 3<sup>e</sup> étage, Québec (Québec) G1R 4J3; telephone: (418) 691-2030; fax: (418) 644-6725.

Any interested person having comments to make on the draft Regulation is asked to send them in writing, before the expiry of the 45-day period, to the Minister of State for Municipal Affairs and Greater Montréal and Minister of Municipal Affairs and Greater Montréal, 10, rue Pierre-Olivier-Chauveau, 4<sup>e</sup> étage, Québec G1R 4J3.

LOUISE HAREL,  
*Minister of State for Municipal Affairs and Greater Montréal and Minister of Municipal Affairs and Greater Montréal*

## Regulation to amend the Regulation respecting the form or minimum content of various documents relative to municipal taxation\*

An Act respecting municipal taxation  
(R.S.Q., c. F-2.1, s. 263, par. 2)

1. Section 2 of the Regulation respecting the form or minimum content of various documents relative to municipal taxation is amended

(1) by substituting “business establishment” for “place of business” in the part preceding paragraph 1;

(2) by substituting “establishment” for “place” in paragraphs 1 and 8; and

(3) by substituting “establishment” for “place” in paragraphs 6, 7, 9 and 10.

2. Section 4 is amended by substituting “business establishment” for “place of business”.

3. Section 5 is amended by adding the following after paragraph 13:

“(14) an indication that the unit is referred to in the fourth paragraph of section 244.13 or 244.25 of the Act as well as the information required under section 61 of the Act if the role must indicate the information separately in respect of part of the unit;

(15) an indication that the unit belongs to the group described in section 244.31 of the Act or to any other category among those provided for in sections 244.34 to 244.36 of the Act;

(16) the number of each class among those listed in sections 244.32 and 244.54 of the Act of which the unit forms part;

(17) an indication that the unit is referred to in section 244.51 of the Act;

(18) an indication that the unit is referred to in section 244.52 of the Act as well as the information re-

\* The Regulation respecting the form or minimum content of various documents relative to municipal taxation, made by Minister's Order dated 30 June 1992 (1992, G.O. 2, 3319), was last amended by the Regulation made by Minister's Order dated 5 October 1999 (1999, G.O. 2, 3687). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 November 2000.

quired under section 61 of the Act if the role must indicate the information separately in respect of part of the unit.”.

4. The following is substituted for section 6:

“6. If the notice of assessment contains a category number referred to in paragraph 12 of section 5 or a class number referred to in paragraph 16 of that section, it must include a section or a schedule that explains, either generally with examples or specifically, how the unit of assessment was determined to belong to the category or class in question.”.

5. Section 7 is amended by substituting “business establishment” and “business” for “place of business” and “business” respectively.

6. Section 8 is amended

(1) by substituting “business establishment” and “establishment” for “place of business” and “place” respectively in paragraph 3;

(2) by substituting “business establishment” for “place of business” in paragraph 4;

(3) by inserting the following after paragraph 5:

“(5.1) in the case of the general property tax, where a number of specific rates have been fixed under section 244.29 of the Act, the name of each rate that applies in whole or in part to establish the tax imposed on the unit of assessment in question;” and

(4) by inserting the following after paragraph 7.2:

“(7.2.1) in the case of the surtax or tax on non-residential immovables imposed on a unit of assessment referred to in the fourth paragraph of section 244.13 or 244.25 of the Act, or on a part of a unit referred to in that paragraph, the percentage of the rate of surtax or tax applicable to the unit or part of the unit, that is, 20% ;”.

7. Section 9 is amended by inserting “or 5.1” after the number “5”.

8. Section 10 is amended

(1) by substituting “business establishment” for “place of business”; and

(2) by inserting “a section or” after “contain”.

9. The following is inserted after section 10:

“10.1. Where under section 244.58 of the Act the information referred to in paragraph 7 of section 8 means, rather than a single tax rate, the combination that applies in the calculation of the general property tax imposed on the unit of assessment and that is made up of either one of the specific rates fixed under section 244.29 of the Act and part of another of those rates or of parts of a number of those rates,

(1) the account must indicate each rate included in whole or in part in the combination ; and

(2) the account must indicate, with respect to each specific rate of which only a part is included in the combination, the percentage that part represents.

If the indicated percentage applies because the unit of assessment forms part of the classes listed in sections 244.32 and 244.54 of the Act, because it is referred to in section 244.51 of the Act or because the unit or a part of the unit is referred to in section 244.52 of the Act, the account must either contain an explanation correlating the percentage with the indication on the notice of assessment in respect of the unit in accordance with one of paragraphs 16 to 18 of section 5 or include a schedule containing the explanation.”.

10. Section 11.1 is amended

(1) by inserting “or 7.2.1” after “7.2”; and

(2) by inserting “or 14” after “13”.

11. Section 11.2 is amended by inserting “a section or” after “contain” in the part preceding paragraph 1.

12. Section 12 is amended

(1) by inserting “, 244.59” after “244.15”; and

(2) by inserting “a section or” after “contain”.

13. The following form is substituted for the form provided for in Schedule II:

Gouvernement du Québec  
**Ministère des Affaires municipales et de la Métropole**

GEOGRAPHIC CODE \_\_\_\_\_ APPLICATION NUMBER \_\_\_\_\_

**APPLICATION FOR REVIEW OF THE ROLL OF RENTAL VALUES**

MUNICIPALITY : \_\_\_\_\_ ROLL IN QUESTION : \_\_\_\_\_ 3 years of the triennial roll  
(City, village, parish, etc., to whose roll of rental values the application pertains)

**IMPORTANT :** Unless otherwise indicated, fill in all the white boxes in Sections 1 to 4 legibly, following the directions given in brackets. If necessary, see the additional instructions on the reverse.

**1. IDENTIFICATION OF THE BUSINESS ESTABLISHMENT**

• ADDRESS : \_\_\_\_\_ Postal code \_\_\_\_\_  
(Number(s), name of the street, avenue, road, etc., where the business establishment is located)

• CADASTRAL NUMBER(S) : \_\_\_\_\_  
(Only if it is a site without a building or a building without an address)

• FILE : \_\_\_\_\_ • TOTAL VALUE : \$ \_\_\_\_\_  
(File number entered on the roll and on the notice of assessment) (Rental value entered on the roll and on the notice of assessment)

**2. IDENTIFICATION OF THE APPLICANT**

• SURNAME AND GIVEN NAME(S) : \_\_\_\_\_ Postal code \_\_\_\_\_

• SAME ADDRESS AS THE BUSINESS ESTABLISHMENT?  Yes  No  
(Postal address of the applicant)

• THE APPLICANT IS :  The sole occupant of the business establishment. ( ) -  
 One of the co-occupants of the business establishment with \_\_\_\_\_ other(s). ( ) -  
 The mandatory of the occupant of the business establishment, whose name is : \_\_\_\_\_ Fax no. ( ) -  
 Other (please specify) : \_\_\_\_\_ ( ) -

**3. ORIGIN, SUBJECT OF AND GROUNDS FOR THE REVIEW REQUESTED**

• ORIGIN OF THE APPLICATION : 1.  Roll of rental values as deposited Number \_\_\_\_\_  
(Check only one of the 4 boxes. See details on the reverse if necessary.) 2.  Notice of alteration Number \_\_\_\_\_ 3.  Notice of correction *ex officio* Number \_\_\_\_\_ 4.  Alteration not made by the assessor

• I REQUEST A REVIEW OF THE ENTRIES ON OR OMISSIONS FROM THE ROLL CONCERNING (check at least one of the 3 boxes) :  
 Actual value according to the applicant \$ \_\_\_\_\_

The rental value of the business establishment (Conclusion sought with respect to the value. For information only, you may indicate the figure which, in your opinion, corresponds to the rental value of the business establishment in question)

Other entry (Type of entry) \_\_\_\_\_ (Conclusion sought) \_\_\_\_\_

Other entry (Type of entry) \_\_\_\_\_ (Conclusion sought) \_\_\_\_\_

• GROUNDS INVOKED (See reverse) \_\_\_\_\_  
(Documents may be attached to this form if the space provided is insufficient)

**4. SIGNATURE OF THE APPLICANT OR OF HIS MANDATORY**

\_\_\_\_\_  
(Signature of the applicant or of his mandatory) (Name of signatory)

Year \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_  
(Date of signature)

**Note :** The date on which the application for review is signed is not deemed proof of its filing. Only the date entered in Section 5 is deemed valid in this respect.

- File this form, duly filled out, at the location indicated on your notice of assessment.
- If you wish to file your application for review by registered mail, please follow the directions given on the reverse.

**5. CERTIFICATION OF OFFICIAL IN RECEIPT OF THE APPLICATION (For official use only)**

• CONFIRMATION OF THE ENTRIES ON THE ROLL

POSSESSION Code	UTILIZATION Code	DWELLINGS Number	OTHER PREMISES Number	File matches the roll? Yes <input type="checkbox"/> if no <input type="checkbox"/>	Division	Section	Location	CD	Building	Premises
T	U	N	P	Rental value matches the roll? Yes <input type="checkbox"/> if no <input type="checkbox"/>						

• SUM RECEIVED : \$ \_\_\_\_\_ • APPLICATION AND SUM RECEIVED ON THE : \_\_\_\_\_ Year \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_  
(This document constitutes the applicant's receipt) (Signature of official)

**NOTE : STEPS FOLLOWING APPLICATION**

- Your application for review will be processed by the assessor of the organization responsible for the roll of rental values of the municipality on which territory the business establishment in question is located.
- The assessor must advise you in writing of his conclusion at the latest on \_\_\_\_\_ Year \_\_\_\_\_ Month \_\_\_\_\_ Day \_\_\_\_\_ In his reply, the assessor will either :  
 - propose an alteration to the roll of rental values or  
 - inform you that no alteration will be proposed.
- If you **AGREE** with the assessor on the alterations to be made to the roll of rental values, you have 30 days following the sending of the assessor's reply to enter into a written agreement with the assessor. You may enter into an agreement earlier than the final date indicated above.
- If you **DISAGREE** with the assessor on the alterations to be made, you have 60 days following the sending of the assessor's reply to lodge an appeal with the Administrative Tribunal of Québec, based on the same subject as your application for review (see details on the reverse). Once you have lodged an appeal, you may no longer enter into an agreement with the assessor.
- If you **DO NOT RECEIVE A WRITTEN REPLY** from the assessor, you have 30 days after the final date indicated above to lodge an appeal with the Administrative Tribunal of Québec, based on the same subject as your application for review (see details on the reverse).

## APPLICATION FOR REVIEW OF THE ROLL OF RENTAL VALUES : EXPLANATORY NOTES

The Act respecting Municipal Taxation (sections 124 to 138.4) makes provision for an administrative review of the entries contained on the roll of rental values. Any true application for review will receive a written reply from the assessor. The applicant and the assessor may enter into an agreement with respect to the alterations to be made to the roll. Failing an agreement, the Act shall grant an appeal, before the Administrative Tribunal of Québec, to any person who has first filed an application for review.

### DEFINITIONS

- **Business establishment :** immovable or part of an immovable where a person carries out a business or administrative activity, for profit-making or non-profit-making purposes, and which is entered on the roll of rental values under a single file number.
- **Roll of rental values :** public document containing certain entries prescribed by regulation, for each of the business establishments situated on the territory of a municipality.
- **Market date :** the date on which market conditions are considered in order to establish the rental value of all the business establishments entered on the roll of rental values of a municipality.

### RIGHT TO APPLY FOR A REVIEW

- A person who has an interest in contesting the accuracy, existence or absence of an entry on the roll of rental values relative to a business establishment of which he or another person is the occupant may file an application for review with the municipal body responsible for assessment in question.
- A person bound to pay tax or compensation to the municipality which uses the roll of rental values is deemed to have the interest required to file an application for review.

### ORIGIN OF THE APPLICATION FOR REVIEW (and time limits applicable)

The Act makes provision for 4 situations which give the right to apply for a review and sets time limits for each situation :

<u>Situation which may lead to the filing of an application for review</u>	<u>Time limit set for filing the application</u>
1. <b>Deposit of the roll of rental values</b> , followed by the sending of a notice of assessment to the person carrying out an activity	<ul style="list-style-type: none"> <li>• Whichever date is later :               <ul style="list-style-type: none"> <li>- prior to 1 May following the coming into force of the roll of rental values ;</li> <li>- 60 days following the sending of the notice of assessment (120 days if the notice relates to a business establishment whose value is equal to or greater than \$100,000).</li> </ul> </li> </ul>
2. <b>Alteration to the roll made</b> by certificate, followed by the sending of a notice of assessment	<ul style="list-style-type: none"> <li>• Whichever date is later :               <ul style="list-style-type: none"> <li>- prior to 1 May following the coming into force of the roll of rental values ;</li> <li>- 60 days following the sending of the notice of alteration.</li> </ul> </li> </ul>
3. <b>Notice of correction <i>ex officio</i></b> addressed by the assessor to the person carrying out an activity, to inform him of a planned correction	<ul style="list-style-type: none"> <li>• Whichever date is later :               <ul style="list-style-type: none"> <li>- prior to 1 May following the coming into force of the roll of rental values ;</li> <li>- 60 days following the sending of the notice of correction <i>ex officio</i>.</li> </ul> </li> </ul>
4. <b>Failure by the assessor to make an alteration to the roll</b> , despite an event occurring that should have led to such an alteration	<ul style="list-style-type: none"> <li>• In the course of the financial year in which the event justifying an alteration occurs or prior to the end of the following financial year.</li> </ul>

### GROUND S INVOKED

- The Act stipulates that the application for review must state briefly the grounds invoked. These are the arguments that the applicant wishes the assessor to consider at the time of review.
- For example, the defects of a business establishment (breakage, construction defects, etc.), nuisances (noise, pollution, flooding, etc.), as well as its financial situation (loss of rent, high expenses, leases of comparable business establishments), are valid grounds to invoke in support of the application for review.
- **The amount of taxes to be paid does not constitute grounds justifying an alteration to the roll of rental values.**
- If the space provided on the form is insufficient, additional documents may be attached to explain the grounds invoked.

### CONDITIONS

For an application to be admissible to the municipal body responsible for the assessment, it must satisfy, in addition to the time limits given above, the following conditions :

- **Be made on the form prescribed for this purpose.** This document is the prescribed form. Additional explanatory documents may be attached to the completed form if necessary.
- **Be filed at the location determined** by the municipal body responsible for assessment for the purposes of the administrative review of the rental value, or be sent by registered mail.
- **Be accompanied by the sum of money determined** and applicable to the business establishment in question, if prescribed by a regulation of the municipal body responsible for assessment.

### FILING OF THE APPLICATION BY REGISTERED MAIL

The Act permits the filing of an application for review by registered mail. The same time limits and conditions apply as for filing an application in person. The following directions are, however, important :

- **Copies 1 and 2 of the form must be mailed.** The first copy will be forwarded to the assessor ; the second will be returned to the applicant after certification by the official responsible for receipt of applications for review. The applicant keeps copy 3.
- **The day of sending of the application is deemed to be the date of filing.** It is therefore important that the applicant retain proof of dispatch in case of dispute.

### APPEAL

Any person who has filed an application for review and who has not entered into an agreement with the assessor may lodge an appeal with the immovable property division of the Administrative Tribunal of Québec, based on the same subject as the application for review. To be valid, such an appeal must be made :

- by filing a motion at the secretariat of the Tribunal or at an office of the Court of Québec (a copy of the application for review which was previously filed may be required) ;
- within 60 days of the date of sending of the assessor's reply or, if the assessor has not sent a reply, within 30 days of the final date shown on the front of this application form.



#### 14. Schedule IV is amended

(1) by substituting “business establishment” for “place of business” in the first and second paragraphs of part 1;

(2) by substituting “business establishments” for “places of business” in the third paragraph of part 1;

(3) by substituting “business establishment” for “place of business” in the first paragraph of part 2;

(4) by substituting “business establishment” for “place of business” in the second paragraph of part 2;

(5) by striking out “or the school board” in the fourth paragraph of part 2;

(6) by substituting “business establishments” for “places of business” in the first paragraph of part 3; and

(7) by substituting “business establishment” for “unit of assessment” in paragraph 3 of part 4.

15. The form provided for in Schedule II to the Regulation respecting the form or minimum content of various documents relative to municipal taxation before its replacement by section 13 of this Regulation may continue to be used to file applications for review of a roll of rental values.

16. This Regulation comes into force on the 15th day following the date of its publication in the *Gazette officielle du Québec*.

4353

## Draft Regulation

Medical Act  
(R.S.Q., c. M-9)

Professional Code  
(R.S.Q., c. C-26)

### Physicians

— **Specialties within the medical profession and additional terms and conditions for the issue of specialist’s certificates**

— **Amendments**

Notice is hereby given, in accordance with the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting specialties within the

medical profession, additional terms and conditions for the issue of specialist’s certificates by the Collège des médecins du Québec and fixing standards of equivalence for certain of those terms and conditions, adopted by the Bureau of the Collège des médecins du Québec, will be submitted to the Government which may approve it, with or without amendment, upon the expiry of 45 days following this publication.

The purpose of this Regulation is to substitute “anesthésiologie” for “anesthésie-réanimation” in the list of specialties recognized within the medical profession in the French text. According to the Collège des médecins du Québec, the proposed amendment that was requested by the Association des anesthésistes-réanimateurs du Québec—now known as the Association des anesthésiologistes du Québec—is intended, on the one hand, to improve the taking into account of all the activities related to that specialty and, on the other hand, to adjust the French designation to the designation already used in the English version of the current Regulation.

This Regulation has no impact on businesses.

Further information may be obtained by contacting Dr. Adrien Dandavino, Director, Direction des études médicales, Collège des médecins du Québec, 2170, boulevard René-Lévesque Ouest, Montréal (Québec) H3H 2T8; telephone: (514) 933-4441, extension 302; fax: (514) 933-3112.

Any interested person having comments to make is asked to send them in writing, before the expiry of the 45-day period, to the Chairman of the Office des professions du Québec, 800, place D’Youville, 10<sup>e</sup> étage, Québec (Québec) G1R 5Z3. Those comments will be sent by the Office to the Minister responsible for the administration of legislation respecting the professions and will also be sent to the Collège des médecins du Québec, and to interested persons, departments and agencies.

JEAN K-SAMSON,  
*Chairman of the Office des professions du Québec*

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**Regulation to amend the Regulation respecting the specialties within the medical profession, additional terms and conditions for the issue of specialist's certificates by the Collège des médecins du Québec and fixing standards of equivalence for certain of those terms and conditions\***

Medical Act  
(R.S.Q., c. M-9)

Professional Code  
(R.S.Q., c. C-26, s. 94, pars. *e* and *i*)

1. The Regulation respecting the specialties within the medical profession, additional terms and conditions for the issue of specialist's certificates by the Collège des médecins du Québec and fixing standards of equivalence for certain of those terms and conditions is amended, in paragraph 2 of Schedule I to the French text, by substituting

(1) "Anesthésiologie" for the title;

(2) the word "anesthésiologie" for "anesthésie-réanimation" in the first line of clause *c*;

(3) the word "anesthésiologie" for "anesthésie" in the third line of clause *c*.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

4351

**Draft Regulation**

An Act respecting the conservation and development of wildlife  
(R.S.Q., c. C-61.1)

**Development of wildlife**  
— Scale of fees and duties  
— Amendments

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Regulation to amend the Regulation respecting the scale of fees and duties related to the development of wildlife, the text of which appears below, may be made by the Government upon the expiry of 45 days following this publication.

The amendments made to the Regulation add the permission to transport to the licence for extracting roe and milt the fee for which is already prescribed by regulation. Those amendments are consistent with those made to the Regulation respecting aquaculture and the sale of fish.

For further information, please contact: Paul-J. Arsenault, Société de la faune et des parcs du Québec, Direction des territoires fauniques et de la réglementation, 675, boulevard René-Lévesque Est, 11<sup>e</sup> étage, boîte 96, Québec (Québec) G1R 5V7.

Telephone: (418) 521-3880, extension 4767  
Fax: (418) 646-5179  
E-mail: paul-j.arsenault@fapaq.gouv.qc.ca

Any interested person having comments to make is asked to send them in writing, before expiry of the 45-day period, to the Minister responsible for Wildlife and Parks, 700, boulevard René-Lévesque Est, 29<sup>e</sup> étage, Québec (Québec) G1R 5H1.

GUY CHEVRETTE,  
*Minister responsible for Wildlife and Parks*

\* The Regulation respecting the specialties within the medical profession, additional terms and conditions for the issue of specialist's certificates by the Collège des médecins du Québec and fixing standards of equivalence for certain of those terms and conditions was approved by Order in Council 144-2000 dated 16 February 2000 (2000, *G.O.* 2, p. 933) and has never been amended.

## **Regulation to amend the Regulation respecting the scale of fees and duties related to the development of wildlife\***

An Act respecting the conservation and development of wildlife

(R.S.Q., c. C-61.1, s. 162, par. 10)

1. The Regulation respecting the scale of fees and duties related to the development of wildlife is amended in section 4.2

(1) by substituting “licence to extract roe and milt and to transport” for “licence for extracting roe and milt” in subparagraph 4 of the first paragraph;

(2) by substituting “to extract roe and milt and to transport” for “for extracting roe” in the second paragraph.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

4361

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\* The Regulation respecting the scale of fees and duties related to the development of wildlife, made by Order in Council 1291-91 dated 18 September 1991 (1991, *G.O.* 2, 3908), was last amended by the Regulation made by Order in Council 621-2000 dated 24 May 2000 (2000, *G.O.* 2, 2320). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2000, updated to 1 November 2000.



## Municipal Affairs

Gouvernement du Québec

### **O.C. 705-2001, 13 June 2001**

An Act respecting municipal territorial organization  
(R.S.Q., c. O-9)

Amalgamation of Ville de Chandler and the municipalities of Newport, Pabos, Pabos Mills and Saint-François-de-Pabos

WHEREAS each of the municipal councils of Ville de Chandler and the municipalities of Newport, Pabos, Pabos Mills and Saint-François-de-Pabos adopted a by-law authorizing the filing of a joint application with the Government requesting that it constitute a local municipality through the amalgamation of the two municipalities under the Act respecting municipal territorial organization (R.S.Q., c. O-9);

WHEREAS a copy of the joint application was sent to the Minister of Municipal Affairs and Greater Montréal;

WHEREAS no objection was sent to the Minister of Municipal Affairs and Greater Montréal;

WHEREAS, under section 108 of the aforementioned Act, it is expedient to grant the joint application;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Municipal Affairs and Greater Montréal:

THAT the application be granted and that a local municipality be constituted through the amalgamation of Ville de Chandler and the municipalities of Newport, Pabos, Pabos Mills and Saint-François-de-Pabos on the following conditions:

1. The name of the new town shall be “Ville de Pabos”. Notwithstanding the foregoing, during the first general election, a consultation will be made with electors in order to determine the name of the new town. Thus, three names determined by the provisional council will be submitted during that consultation. At the end of that consultation, the council will apply for a change of name in accordance with the law.

2. The description of the territory of the new town shall be the description drawn up by the Minister of Natural Resources on 20 March 2001; that description is attached as a Schedule to this Order in Council.

3. The new town shall be governed by the Cities and Towns Act (R.S.Q., c. C-19).

4. The territory of Municipalité régionale de comté du Rocher-Percé comprises the territory of the new town.

5. Until the term of the majority of candidates elected in the first general election begins, the new town shall be governed by a provisional council composed of a mayor and a councillor of each council existing at the time of the coming into force of this Order in Council. The quorum shall be half the members in office plus one.

Before the first sitting of the provisional council begins, all the members of the council of the former municipalities in office on the day before the coming into force of this Order in Council shall elect through a secret ballot, from among the mayors, the mayor and deputy mayor of the provisional council. They shall also elect through a secret ballot the councillors of the provisional council and their substitute in anticipation of a seat becoming vacant.

Throughout the term of the provisional council, the mayors of the former municipalities shall continue to be qualified to sit on the council of Municipalité régionale de comté du Rocher-Percé.

Throughout the term of the provisional council, the remuneration of the members of the provisional council shall be the same as the remuneration to which they were entitled before the coming into force of this Order in Council.

A lump sum equivalent to one year of salary on the basis of the remuneration in effect in each former municipality shall be paid, in a single payment, to all the members of the council of the former municipalities in office on the day before the coming into force of this Order in Council when they cease to sit. For the members of the provisional council, that amount shall be paid when they cease to sit on the provisional council.

6. The first sitting of the provisional council shall be held where the council of Municipalité régionale de comté du Rocher-Percé sits.

7. The polling day for the first general election shall be the first Sunday of the fourth month following the month of the coming into force of this Order in Council, except if that Sunday falls on the first Sunday of January,

July or August, in which case the polling day shall be postponed to the first Sunday of the following month. The second general election shall be held in 2004.

8. For the first two general elections, the council of the new town shall be composed of seven members, that is, a mayor and six councillors.

9. For the first two general elections, the new town shall be divided into five electoral districts corresponding to the territory of the former municipalities and keeping the name of those former municipalities. Each district shall have one councillor except for the district of Chandler which shall have two councillors.

10. G. Walter Smith, secretary-treasurer of the former Municipalité de Newport, shall act as clerk of the new town.

11. Any budget adopted by each of the former municipalities for the fiscal year during which this Order in Council comes into force shall continue to be applied by the council of the new town, and the expenditures and revenues shall be accounted for separately as though those former municipalities continued to exist.

The amount paid annually under the Programme d'aide financière au regroupement municipal (PAFREM) shall be paid into the general fund of the new town.

12. Subject to section 26, the terms and conditions for apportioning the cost of shared services provided for in intermunicipal agreements in effect before the coming into force of this Order in Council shall continue to apply until the end of the last fiscal year for which the former municipalities adopted separate budgets.

13. Any surplus accumulated on behalf of a former municipality at the end of the last fiscal year for which the former municipalities adopted separate budgets shall be used for the benefit of the ratepayers in the sector made up of the territory of that former municipality, in particular for repaying the loans made by that municipality or for carrying out work in that sector.

14. Any deficit accumulated on behalf of a former municipality at the end of the last fiscal year for which the former municipalities adopted separate budgets shall be charged to all the taxable immovables in the sector made up of the territory of that former municipality.

15. Any debt or gain that may result from legal proceedings, for an act performed by one of the former municipalities, shall be charged or credited to all the taxable immovables in the sector made up of the territory of that former municipality.

16. At the end of the last fiscal year for which the former municipalities adopted separate budgets, the amounts available from the working fund of the former Ville de Chandler and the former municipalities of Pabos Mills and Newport shall become surpluses of those municipalities and shall be dealt with in accordance with section 13.

17. At the end of the last fiscal year for which the former municipalities adopted separate budgets, all the costs thus established related to the water and sewer systems of each former municipality shall be charged to the users of the water and sewer systems of each sector made up of the territory of the former municipality that made them.

18. The employees of Comité des loisirs de Newport inc. in office at the time of the coming into force of this Order in Council may avail themselves of the provisions of section 122 of the Act respecting municipal territorial organization for a twelve-year period following the coming into force of this Order in Council. The employees may not avail themselves of that condition if the committee puts an end to its operations or if the new town decides to close down the arena of the former Municipalité de Newport.

19. A municipal housing bureau shall be constituted under the name of "Office municipal d'habitation de la Ville de Pabos".

That municipal bureau shall succeed to the municipal housing bureaus of the former municipalities of Newport and Pabos and of the former Ville de Chandler, which are dissolved. The third and fourth paragraphs of section 58 of the Act respecting the Société d'habitation du Québec (R.S.Q., c. S-8) shall apply to the municipal housing bureau of the new town as though it had been constituted by letters patent under section 57 of that Act.

20. Subject to sections 21 and 22, at the end of the last fiscal year for which the former municipalities adopted separate budgets, the annual repayment of instalments in principal and interest of loans made under by-laws adopted by a former municipality before the coming into force of this Order in Council shall be charged to the sector made up of the territory of the former municipality that made them, in accordance with the taxation clauses of those by-laws.

21. At the end of the last fiscal year for which the former municipalities adopted separate budgets, the annual repayment of instalments in principal and interest of loans made under by-law V-135-143 respecting the arena and by-law 98-V-370 respecting the emergency unit adopted by the former Ville de Chandler shall be

charged to all the taxable immovables of the new town on the basis of their value as it appears on the assessment roll in effect each year. The taxation clauses provided for in those by-laws shall be amended accordingly.

22. At the end of the last fiscal year for which the former municipalities adopted separate budgets, the balance of the amounts owed as credit commitments respecting leases with an option to buy resulting from the resolution bearing number 97-10-416 of the former Ville de Chandler shall be charged to all the taxable immovables of the new town on the basis of their value as it appears on the assessment roll in effect each year.

23. The second sentence of the second paragraph and the third and fourth paragraphs of section 126, the second paragraph of section 127, sections 128 to 133, the second and third paragraphs of section 134 and sections 135 to 137 of the Act respecting land use planning and development (R.S.Q., c. A-19.1) do not apply to a by-law adopted by the new town in order to replace all the zoning and subdivision by-laws applicable on its territory by, respectively, a new zoning by-law and a new subdivision by-law applicable to the whole territory of the new town, provided that such a by-law comes into force within four years of the coming into force of this Order in Council.

Such a by-law must be approved, in accordance with the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2), by the qualified voters of the whole territory of the new town.

24. The business tax rate in effect on the territory of the former Ville de Chandler and the rate of the surtax on non-residential immovables in effect on the territories of the former municipalities of Newport and Pabos at the end of the last fiscal year for which the municipalities adopted separate budgets shall apply after the coming into force of this Order in Council on the territory of the new town for a period of three years.

Notwithstanding the foregoing, the rate of the surtax on non-residential immovables will be applied progressively in the sectors made up of the territories of the former municipalities of Pabos Mills and Saint-François-de-Pabos at the rate of one third of the rate for the first full fiscal year following the coming into force of this Order in Council and one third extra for the second fiscal year to 100% of the rate for the third fiscal year.

25. The Programme d'aide à la rénovation en milieu rural (RénoVillage) of the Société d'habitation du Québec shall apply to the new town in accordance with Order in Council 996-2000 made on 24 August 2000.

26. As soon as this Order in Council comes into force, the Régie d'assainissement des eaux usées of Chandler, Pabos and Pabos Mills shall cease to exist.

27. This Order in Council will come into force on the date of its publication in the *Gazette officielle du Québec*.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

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#### OFFICIAL DESCRIPTION OF THE LIMITS OF THE TERRITORY OF VILLE DE PABOS, IN MUNICIPALITÉ RÉGIONALE DE COMTÉ DU ROCHER-PERCÉ

The current territory of Ville de Chandler and the municipalities of Newport, Pabos, Pabos Mills and Saint-François-de-Pabos, in Municipalité régionale de comté du Rocher-Percé, comprising, in reference to the cadastres of Canton de Newport and Municipalité de Pabos, the lots or parts of lots, blocks or parts of blocks and their present and future subdivisions, as well as the roads, routes, railway rights-of-way, islands, lakes, watercourses or parts thereof, the whole within the limits described hereafter, namely: starting from the apex of the northern angle of lot 106 of the cadastre of Municipalité de Pabos; thence, successively, the following lines and demarcations: southeasterly, part of the dividing line between the cadastre of Municipalité de Pabos and the cadastres of Canton de Rameau and Municipalité de Grande-Rivière to the dividing line between ranges 2 and 3 of the cadastre of Municipalité de Pabos; in reference to that cadastre, southwesterly, part of the dividing line between the said ranges to the southwestern line of lot 13D-2 of Rang 2; southeasterly, the southwestern line of lots 13D-2 and 13D-1 then its extension in the right-of-way of Rue Saint-Pierre to the southern limit of that right-of-way; easterly, the southern limit of the right-of-way of the said street to the eastern line of lot 11A of Rang Est du Petit Pabos; southerly, the eastern line of the said lot, that line crossing Route de Petit-Pabos that it meets; in a general southeasterly direction, the northeast shore of Baie du Petit Pabos to the line dividing lot 1D-5 from lots 1C-3 and 1C-4 of Rang Est du Petit Pabos; southeasterly, successively, the dividing line between the said lots, its extension across the rights-of-way of a road (Rue du Bord-de-l'Eau) and of a railway (lot 110) then the dividing line between lots 1D-1 and 1C-1 of Rang Est du Petit Pabos; in a general southwesterly direction, the northwest shore of the Golfe du Saint-Laurent running along, in part, the southeastern line of lot 110 (railway) to the northeastern line of lot 67A-1 of Rang 1; in the said gulf, southeasterly, the extension of the northeastern line of the said lot its meeting point with a line parallel to the northwest

shore of the said gulf and 1.609 kilometres from that line; in a general southwesterly direction, the said parallel line to its meeting point with a straight line perpendicular to that line and whose origin is the meeting point of the dividing line between lots A-3 of Banc du Grand-Pabos and 110 (railway) with the northwest shore of the Golfe du Saint-Laurent; northwesterly, the said perpendicular line to its point of origin; in a general southwesterly direction, part of the southeastern line of lot 110 (railway) and the northwest shore of the said gulf to the dividing line between the cadastres of the townships of Newport and Port-Daniel; northwesterly, the dividing line between the cadastres of the said townships, that line crossing the railway right-of-way (lot 24 of the cadastre of Canton de Newport), Route 132 and Lac Pabos that it meets; northeasterly, the dividing line between the cadastres of the townships of Newport and Raudin, that line crossing Rivière du Grand Pabos Ouest, lakes Des Pins, Caché and Carrière and Rivière du Grand Pabos that it meets; northwesterly, part of the dividing line between the cadastres of Municipalité de Pabos and Canton de Raudin to the apex of the western angle of lot 106 of the first cadastre; lastly, northeasterly, the dividing line between the cadastre of Municipalité de Pabos and the cadastres of the townships of Pellegrin and Rameau to the starting point, that line corresponding to the northwestern line of lot 106 of the cadastre of Municipalité de Pabos.

The said limits define the territory of Ville de Pabos, in Municipalité régionale de comté du Rocher-Percé.

Ministère des Ressources naturelles  
Direction de l'information foncière sur le territoire public  
Division de l'arpentage foncier

Charlesbourg, 20 March 2001

Prepared by: JEAN-FRANÇOIS BOUCHER,  
*Land surveyor*

P-212/1

4360

Gouvernement du Québec

### **O.C. 736-2001, 20 June 2001**

An Act respecting municipal territorial organization  
(R.S.Q., c. O-9)

Amalgamation of the towns of Lachenaie, La Plaine  
and Terrebonne

WHEREAS each of the municipal councils of the towns of Lachenaie, La Plaine and Terrebonne adopted a by-law authorizing the filing of a joint application with the Government requesting that it constitute a local municipality through the amalgamation of the municipalities under the Act respecting municipal territorial organization (R.S.Q., c. O-9);

WHEREAS a copy of the joint application was sent to the Minister of Municipal Affairs and Greater Montréal;

WHEREAS one objection was sent to the Minister of Municipal Affairs and Greater Montréal;

WHEREAS, under section 108 of the aforementioned Act, it is expedient to grant the joint application with the amendments proposed by the Minister of Municipal Affairs and Greater Montréal, which were approved by the councils of the applicant municipalities;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Municipal Affairs and Greater Montréal:

THAT the application be granted and that a local municipality be constituted through the amalgamation of the towns of Lachenaie, La Plaine and Terrebonne, on the following conditions:

1. The name of the new town shall be "Ville de Terrebonne".

2. The description of the territory of the new town shall be the description drawn up by the Minister of Natural Resources on 5 June 2001; that description appears as Schedule A to this Order in Council.

3. The new town shall be governed by the Cities and Towns Act (R.S.Q., c. C-19).

4. The territory of the Municipalité régionale de comté des Moulins shall include that of the new town.

5. Until the term of the majority of candidates elected in the first general election begins, the new town shall be governed by a provisional council made up of all the council members of the former towns in office at the time of the coming into force of this Order in Council. An additional vote shall be allotted, within the provisional council, to the mayor of the former town of the council on which there is a vacancy at the time of the coming into force of this Order in Council, as well as for any seat that becomes vacant on the provisional council, after that coming into force, that was, up to that time, occupied by a member of the council of that former



town. Where one of the mayors' seats is vacant, the votes of the latter shall devolve on a councillor who was deputy mayor of the former town in question before the coming into force of this Order in Council.

6. The mayor of the former Ville de Terrebonne shall act as the mayor of the new town from the coming into force of this Order in Council to the moment when the term of the new mayor elected in the first general election begins. The mayors of the former towns and the members of the councils appointed thereto shall continue to sit on the council of Municipalité régionale de comté des Moulins, the council of the Conseil intermunicipal de transport des Moulins and the council of the Régie intermunicipale d'aqueduc des Moulins and they shall have the same number of votes as before the coming into force of this Order in Council.

The by-laws respecting the salary of the elected members of the former towns shall apply to the members of the provisional council who come from those former towns until the council decides otherwise.

The majority of members in office at any moment shall constitute the quorum of the provisional council.

7. The new town shall pay a severance allowance to any person who ceases to sit on the council after the first general election, in accordance with section 30.1 of the Act respecting the remuneration of elected municipal officers (R.S.Q., c. T-11.001), adapted as required. For the purposes of calculating that pay, both the years of services completed on the council of a former town and on the provisional council shall be taken into account.

8. Subject to By-law 929 of the former Ville de Lachenaie respecting the remuneration of elected municipal officers and to the adoption of a by-law in accordance with section 31 of the Act respecting the remuneration of elected municipal officers by the council formed of persons elected in the first general election, the new town shall pay a transition allowance to any person who ceases to be a member of the council after having been a member thereof for no less than 18 months preceding the end of his term on the council of a former town.

The amount of that allowance shall be equal to the product obtained by multiplying the number of full years as a member of the council and the amount of his bimonthly remuneration on the last day of his term; that amount shall be increased by a fraction of the bimonthly remuneration proportional to the fraction of year during which the person held that office in addition to the full years. The amount of the allowance may not exceed four times the amount of the bimonthly remuneration on the last day of the person's term.

That remuneration shall include the remuneration paid by an agency of the town or a supramunicipal body to its members.

9. The new town shall pay financial compensation to a member of the council of a former town whose terms ends on the first general election, equivalent to the remuneration to which he would have been entitled had he completed his term on the council of that town were it not for the amalgamation. That compensation shall include the provisional contribution provided for in section 26 of the Act respecting the pension plan of elected municipal officers (R.S.Q., c. R-9.3) that the former town would have been required to pay with respect to that part of the remuneration, calculated according to the factor applicable under that section at the time of the first general election.

10. Amounts paid under sections 7 and 8 shall be deemed to be expenses accounted for in the budget of the former town of origin of the member. For fiscal years following that for which the former towns adopted separated budgets, section 17 shall apply, adapted as required.

11. The first sitting of the provisional council shall be held at the gymnasium of Centre Angora, 4125, rue d'Argenson on the territory of the former Ville de Terrebonne. The second, third and fourth sittings shall be held respectively at École des Rives, 400, Montée Dumais, on the territory of the former Ville de Lachenaie, at 3630, rue de l'Hôtel de ville on the territory of the former Ville de La Plaine and at the gymnasium of Centre Angora, where the regular sittings of the council after the first general election will take place until the council decides otherwise.

By-law 2259 of the former Ville de Terrebonne respecting the internal management of the council's sittings shall apply to the sittings of the new town until the council decides otherwise.

12. The first general election shall be held on 4 November 2001 and the second in 2005.

For the first general election and, unless the council decides otherwise, the second general election, the new town shall be divided into 16 electoral districts: four districts in each sector made up of the territories of the former towns of Lachenaie and La Plaine and 8 districts in the sector made up of the territory of the former Ville de Terrebonne.

The description and plan of those electoral districts appear as Schedule B to this Order in Council.

13. Denis Bouffard, clerk of the former Ville de Terrebonne, shall act as clerk of the new town until the council composed of persons elected at the first general election decides otherwise according to law.

14. If a budget was adopted by a former municipality for the fiscal year in which this Order in Council comes into force,

(1) that budget shall remain applicable ;

(2) expenditures and revenues of the new town, for the remaining part of the fiscal year in which this Order in Council comes into force, shall continue to be accounted for separately on behalf of each of the former municipalities as if the amalgamation had not taken place ;

(3) an expenditure recognized by the council of the new town as resulting from the amalgamation shall be charged to the budgets of each of the former towns in the following proportions : Ville de Lachenaie 28%, Ville de La Plaine 17%, Ville de Terrebonne 55% ;

(4) the amount paid for the first year of the amalgamation under the Programme d'aide financière au regroupement municipal (PAFREM), less expenditures recognized by the council as resulting from the amalgamation, shall remain for the benefit of the taxpayers of the new town.

15. The terms and conditions for apportioning the cost of a shared service provided for in an intermunicipal agreement in effect before the coming into force of this Order in Council shall continue to apply until the end of the last fiscal year for which the former towns adopted separate budgets.

16. A working fund of \$1.3 millions shall be created with the surplus accumulated on behalf of a former town on 31 December 2001. The contribution of each former town to that fund shall be as follows : Ville de Lachenaie 28% (\$364 000), Ville de La Plaine 17% (\$221 000) and Ville de Terrebonne 55% (\$715 000). The working funds of the former towns shall be abolished and the amounts in those funds available on 31 December 2001 shall be added to the surpluses accumulated on behalf of each of the former towns.

Where the surplus accumulated on behalf of a former town is insufficient to allow for that payment, the new town shall make up for the difference by imposing a special tax on all the taxable immovables in the sector made up of the territory of that former town, on the basis of their value as it appears in the assessment roll in effect at the time the payment is made

Repayments made into a working fund and into any other fund of a former town shall be paid into the surplus accumulated on behalf of that former town upon maturity.

17. From the first fiscal year for which a budget is adopted by the new town, the debts incurred by a former town shall remain charged to all the taxable immovables in the sector made up of the territory of that former town.

18. Notwithstanding section 17, the portion of the instalments in principal and interest of the loans made under the by-laws mentioned below the repayment of which is charged to all the taxable immovables in the sectors made up of the territory of the former towns shall become, from the first fiscal year for which a budget is adopted by the new town, charged to all the taxable immovables on the territory of the new town on the basis of their value as it appears on the assessment roll in force each year :

— Ville de Lachenaie: by-laws 526, 686, 866, 911 and 925 ;

— Ville de La Plaine: by-laws 518, 574, 581 and 589 ;

— Ville de Terrebonne: by-laws 2031, 2094, 2095, 2228, 2294, 2313-1, 2339, 2348, 2355 and 2379.

The taxation clauses in those by-laws shall be amended accordingly.

The annual repayment of instalments in principal and interest of the loan made under by-law 2363 of the former Ville de Terrebonne shall become from the first fiscal year for which a budget is adopted by the new town, charged to all the taxable immovables on the territory of the former Ville de Lachenaie and that of the former Ville de Terrebonne on the basis of their value as it appears on the assessment roll in force each year.

The taxation clause in that by-law shall be amended accordingly.

19. For the first 10 fiscal years following the year of the coming into force of this Order in Council, a general real estate tax credit shall be granted to all the taxable immovables in the sector made up of the territory of the former Ville de Terrebonne; the reduction in the real estate tax rate related to that credit shall be calculated by dividing the following amounts by the total taxable assessment in the sector made up of the territory of that town, according to the assessment roll in force each year :

— first year:	\$408 765 ;
— second year:	\$682 500 ;
— third year:	\$725 884 ;
— fourth year:	\$796 213 ;
— fifth year:	\$848 049 ;
— sixth year:	\$1 000 122 ;
— seventh year:	\$1 046 498 ;
— eighth year:	\$1 098 314 ;
— ninth year:	\$1 160 276 ;
— tenth year:	\$935 464.

20. For the first 10 fiscal years following the year of the coming into force of this Order in Council, a general real estate tax credit shall be granted to all the taxable immovables in the sector made up of the territory of the former Ville de Lachenaie; the reduction in the real estate tax rate related to that credit shall be calculated by dividing the following amounts by the total taxable assessment in the sector made up of the territory of that town, according to the assessment roll in force each year:

— first year:	\$647 515 ;
— second year:	\$653 998 ;
— third year:	\$603 642 ;
— fourth year:	\$534 763 ;
— fifth year:	\$521 871 ;
— sixth year:	\$434 143 ;
— seventh year:	\$405 045 ;
— eighth year:	\$379 965 ;
— ninth year:	\$360 368 ;
— tenth year:	\$521 616.

21. For the first 10 fiscal years following the year of the coming into force of this Order in Council, a transitional general real estate tax shall be imposed, above the general real estate tax, on all the taxable immovables in the sector made up of the territory of the former Ville de La Plaine; that real estate tax rate shall be calculated by dividing the following amounts by the total taxable assessment in the sector made up of the territory of that former town, according to the assessment roll in force each year:

— first year:	\$1 056 280 ;
— second year:	\$1 336 498 ;
— third year:	\$1 329 526 ;
— fourth year:	\$1 330 976 ;
— fifth year:	\$1 369 920 ;
— sixth year:	\$1 434 265 ;
— seventh year:	\$1 451 543 ;
— eighth year:	\$1 478 279 ;
— ninth year:	\$1 520 644 ;
— tenth year:	\$1 457 080.

22. Subject to section 16, any surplus accumulated on behalf of a former town at the end of the last fiscal year for which separate budgets were adopted shall be used as follows:

(1) any accumulated surplus that is appropriated shall be used as planned;

(2) any accumulated surplus that is not appropriated shall be used for the benefit of the ratepayers of the sector made up of the territory of the former town which accumulated it.

23. Any deficit accumulated on behalf of a former town at the end of the last fiscal year for which separate budgets were adopted shall continue to be charged to all the taxable immovables of the sector made up of the territory of that former town.

24. Any debt or gain that may result from legal proceedings, for an act or acts performed by a former town, shall be charged or credited to all the taxable immovables of the sector made up of the territory of that former town.

25. The second sentence of the second paragraph and the third and fourth paragraphs of section 126, the second paragraph of section 127, sections 128 to 133, the second and third paragraphs of section 134 and sections 135 to 137 of the Act respecting land use planning and development (R.S.Q., c. A-19.1) do not apply to a by-law adopted by the new town in order to replace all the zoning and subdivision by-laws applicable on its territory by, respectively, a new zoning by-law and a new subdivision by-law applicable to the whole territory of the new town, provided that such a by-law comes into force within four years of the coming into force of this Order in Council.

Such a by-law must be approved, in accordance with the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2), by the qualified voters of the whole territory of the new town.

26. The new town shall succeed to the rights, obligations and liabilities of the former towns. It shall become, without continuance of suit, a party to any proceedings, in the place and stead of the former towns.

27. The property and immovables of the former towns shall become the property of the new town.

However, where the acquisition of immovable property was financed by a loan by-law, the product of its alienation shall as a priority be used to repay that loan. Notwithstanding the foregoing, the product of the al-

iation of immovables acquired from Gaz Raymond inc. shall be considered as a surplus accumulated on behalf of the former Ville de Terrebonne up to an amount of \$710 000, and shall be dealt with in accordance with section 22.

28. From the first general election and until the second general election, an executive committee shall be set up consisting of the mayor and four members of the council designated by the mayor. The term of designated members is one year.

The mayor may replace a member of the executive committee at all times.

The mayor is the chairman of the executive committee and he shall designate the vice-chairman from the members of the committee. Where the mayor appoints a member of the executive committee as chairman, he shall act as the vice-chairman.

29. Any designated member of the executive committee may resign by signing a resignation document and by sending it to the clerk. Resignation takes effect upon receipt of the document by the clerk or, as the case may be, on the later date given in the document as the effective date of the resignation.

30. The regular sittings of the executive committee shall take place at the location, on the days and at the times fixed by the council in a by-law.

Extraordinary sittings shall take place at the location, on the days and at the times fixed by the chairman.

31. The chairman of the executive committee shall call the sittings, preside over them and see to their proper conduct.

32. The vice-chairman shall replace the chairman if the latter is unable to act or if the chairman's position is vacant. He may also, upon request by the chairman, preside over any sitting of the executive committee.

33. The executive committee shall sit *in camera*.

Notwithstanding the foregoing, it shall sit in public :

- (1) in circumstances described by the council in a by-law ;
- (2) during all or part of the sitting when so decided.

34. The quorum at the sittings of the executive committee shall be a majority of members.

35. Each member of the executive committee attending a sitting shall have one vote.

36. A decision shall be made by an ordinary majority.

37. The executive committee shall perform the functions provided for in section 70.8 of the Cities and Towns Act whenever it has jurisdiction under the by-law provided for in section 38. It may grant any contract for an amount not exceeding \$100 000.

The executive committee shall give the council its opinion on any matter when so required by law, upon request by the council, or on its own initiative.

The opinion of the executive committee is not binding on the council. In addition, the absence of an opinion required by by-law or by the council does not limit the power of the latter to deliberate and vote on the matter in question.

38. The council may, by by-law, delegate to the executive committee any act within its jurisdiction that it may or must perform and provide therein the terms and conditions governing the delegation.

Notwithstanding the foregoing, the council may not delegate the powers :

(1) to adopt a budget, a three-year programme of capital expenditures or a document provided for in the Act respecting land use planning and development, Chapter IV of the Cultural Property Act (R.S.Q., c. B-4), the Act respecting municipal courts (R.S.Q., c. C-72.01), the Act respecting elections and referendums in municipalities (R.S.Q., c. E-2.2) or the Act respecting municipal territorial organization (R.S.Q., c. O-9) ;

(2) to appoint a person to a position to be held by a council member ;

(3) to appoint the director general, the clerk, the treasurer and their assistants ;

(4) to create municipal services, to establish the scope of their activities and to appoint the directors and assistant directors in charge of them ;

(5) to destitute, suspend without pay or to reduce the salary of a public servant or employee referred to in the second or third paragraph of section 71 of the Cities and Towns Act, amended by section 316 of Chapter 12 of the Statutes of 2000 and by section 1 of Chapter 54 of the Statutes of 2000.

The council may also, by by-law, determine any matter on which the executive committee must give its opinion to the council and provide for the terms and conditions of the consultation. The by-law may also provide the terms and conditions governing a council member's application to the executive committee for a report to the council on a matter within the jurisdiction of the executive committee.

39. The executive committee may adopt an internal management by-law respecting its sittings and the conduct of its business. It may also by that by-law, if the council so allows by by-law, delegate to any employee of the town the power to authorize expenses and to enter into contracts on behalf of the town, on the conditions determined by the committee and in accordance with the rules and restrictions applicable to the town.

40. The council's decision to delegate to the executive committee jurisdiction over an act or to take it back shall be made by a majority representing two thirds of the council members' votes.

41. Notwithstanding section 119 of the Act respecting municipal territorial organization, a 3-year property assessment roll shall be prepared and filed before 15 September 2001 for the sector made up of the territory of the former Ville de Terrebonne. That roll shall be in force for the years 2002, 2003 and 2004. Therefore, the 3-year assessment rolls in force in the sectors made up of the territories of the former towns of Lachenaie and La Plaine for the years 2001, 2002 and 2003 shall be extended by one year.

42. A municipal housing bureau is incorporated under the name of "Office municipal d'habitation de la Ville de Terrebonne".

That municipal bureau shall succeed to the municipal housing bureaus of the former towns of Terrebonne, Lachenaie and La Plaine, which are abolished. The third and fourth paragraphs of section 58 of the Act respecting the Société d'habitation du Québec (R.S.Q., c. S-8) shall apply to the municipal housing bureau of the new town as if it had been incorporated by letters patent under section 57 of that Act.

The members of the bureau shall be the members of the municipal bureaus to which it succeeds. Notwithstanding the foregoing, from the first general election held in the new town, the number of members of the bureau shall be seven, including three representatives appointed by the municipal council, two representatives appointed by the tenants and two representatives of socio-economic groups appointed by the Minister responsible for the Société d'habitation du Québec.

The director of the new bureau shall be the director of the municipal housing bureau of the former Ville de Terrebonne. The directors of the municipal housing bureaus of the former towns of Lachenaie and La Plaine shall perform the same tasks as before the coming into force of this Order in Council in respect of the immovables of the new bureau located in the sectors made up of the territories of the former towns. All employees of the former municipal housing bureaus shall become employees of the new bureau, in the same positions and with the same status, salaries and working conditions as in the former bureaus, until the board of directors decides otherwise.

43. The amounts paid to the former Ville de Lachenaie under the memorandum of agreement respecting the management of waste entered into by the former Ville de Lachenaie and Usine de triage Lachenaie inc. on 20 November 1997 shall be credited to the taxpayers in the sector made up of the territory of the former Ville de Lachenaie, as long as the agreement exists in its original form, including yearly renewals. Amounts thus paid shall be used to reduce the tariff applying to the management of residual material and sanitation established by the council of the new town in respect of taxpayers in that sector.

44. This Order in Council comes into force on the date of its publication in the *Gazette officielle du Québec*.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

## SCHEDULE A

### OFFICIAL DESCRIPTION OF THE LIMITS OF THE TERRITORY OF THE NEW VILLE DE TERREBONNE, IN MUNICIPALITÉ RÉGIONALE DE COMTÉ DES MOULINS

The current territory of Ville de Lachenaie, Ville de La Plaine and Ville de Terrebonne, in Municipalité régionale de comté des Moulins, comprising in reference to the cadastres of the parishes of Lachenaie, Sainte-Anne-des-Plaines, Saint-Henri-de-Mascouche, Saint-Lin and Saint-Louis-de-Terrebonne and Ville de Terrebonne, the lots or parts of lots and their present and future subdivisions, as well as the roads, routes, streets, railway rights-of-way, islands, lakes, watercourses or parts thereof, the whole within the limits described hereafter, namely : starting from the apex of the northeastern angle of lot 953 of the cadastre of Paroisse de Saint-Henri-de-Mascouche; thence, successively, the following lines and demarcations : in reference to that cadastre, south-westerly, the southeastern line of the said lot ; southeast-

erly, the broken line bordering on the northeast lots 927, 926, 925, 924, 923 and 921; southwesterly, successively, the line bordering on the southeast lots 921, 922, 995 and 996 then part of the southeastern line of lot 1065 to its northern line, that first line extended across two public roads and Rivière Saint-Pierre that it meets; southeasterly, the line bordering on the northeast lots 1065 in declining order to 1049; southwesterly, the southeastern line of lots 1049 and 1126 to the northeastern limit of the right-of-way of Route 337 (shown on the original); southeasterly, the northeastern limit of the right-of-way of the said road to the dividing line between the cadastres of the parishes of Lachenaie and Saint-Henri-de-Mascouche; in general easterly, northeasterly, northerly and again easterly directions, the broken dividing line between the cadastres of the said parishes to the dividing line between the cadastres of the parishes of Lachenaie and Saint-Paul-L'Ermite, that broken line passing by the centre line of Rivière Mascouche; southeasterly, part of the broken dividing line between the latter cadastres to the eastern line of lot 35 of the cadastre of Paroisse de Lachenaie; in reference to that cadastre, southerly, part of the eastern line of the said lot across a public road (chemin de la Presqu'île) to the southwestern limit of its right-of-way; southeasterly, the southwestern limit of the right-of-way of the said road to the eastern line of lot 29; southerly, part of the eastern line of lots 29 and 28 to the northeastern limit of the right-of-way of Autoroute 640; southeasterly, the northeastern limit of the right-of-way of the said highway to the eastern line of lot 21; southerly, part of the eastern line of the said lot to a point located 175.56 metres to the south of the apex of the northwestern angle of lot 22; in lots 22, 20, 19, 18, 15, 13 and 12, a straight line along a bearing of  $136^{\circ} 31' 41''$  and measuring 426.66 metres to the western limit of the right-of-way of Boulevard Saint-Charles; in a general northerly direction, the western limit of the right-of-way of the said boulevard to the apex of the eastern angle of lot 10-10, the western limit of the said right-of-way bordering on the southeast the said lot and on the east lot 12-10; southeasterly, successively, part of the northeastern line of lot 10, the northeastern line of lots 7, 6, 5, 4, and 3 to the apex of the northern angle of lot 2-1-2; southerly, the western line of the said lot and its extension to the centre line of Rue Notre-Dame (shown on the original); southwesterly, the centre line of the said street to its meeting with the eastern limit of the right-of-way of the railroad crossing lot 3; southerly, the eastern limit of the right-of-way of the said railroad and its extension, into Rivière des Prairies, to a line passing midway between Bourdon and Bonfoin islands and the left bank of the said river; in a general westerly direction, successively, that midway line, the centre line of the said river upstream then the center line of Rivière des Mille-Îles upstream and passing to the south of Île Saint-Jean, to the north of Saint-Pierre, Saint-Joseph and Jargaille is-

lands, to the north of Île aux Vaches, to the north of islands numbered 597 to 601 and 616 and to the south of islands numbered 617, 618 and 619 of the cadastre of Paroisse de Saint-Louis-de-Terrebonne and to the north of the islands numbered 1 855 877 and 1 855 878 of the cadastre of Québec until its meeting point with the southeastern extension of the southwestern line of lot 36 of the cadastre of Paroisse de Saint-Louis-de-Terrebonne; in reference to that cadastre, northwesterly, the said extension and the southwestern line of the said lot, that line crossing Côte de Terrebonne (shown on the original) that it meets; southwesterly, part of the southeastern line of lot 34 and the southeastern line of lot 31; northwesterly, the northeastern line of lot 25, that line crossing Autoroute 640 that it meets; southwesterly, the northwestern line of lots 25, 24, 23, 20 and 19; northwesterly, part of the northeastern line of lot 18 to the apex of its northern angle; in a general southwesterly direction, successively, the broken line bordering on the northwest lots 18, 17, 16, 14, 13, 12, 5 and 4 then the extension of the last segment, to the southwestern limit of the right-of-way of Montée Gagnon (shown on the original); northwesterly, successively, the southwestern limit of the right-of-way of the said road then part of the dividing line between the cadastres of the parishes of Saint-Louis-de-Terrebonne and Sainte-Thérèse-de-Blainville to the apex of the northwestern angle of lot 349 of that first cadastre; in a general easterly direction, part of the broken dividing line between the cadastres of the parishes of Saint-Louis-de-Terrebonne and Sainte-Anne-des-Plaines to the apex of the southwestern angle of lot 497 of that first cadastre, that line crossing the right-of-way of a railroad (lot 621) and Montée Gagnon that it meets; in reference to that cadastre, northeasterly, the broken line bordering on the southeast lots 497, 499 and 500; northerly, part of the western line of lot 502 and its extension to the centre line of Rivière Mascouche, that first line crossing Chemin Comtois that it meets; in a general easterly direction, the centre line of the said river to its meeting with the southern extension of the western line of lot 586; northerly, the said extension and the western line of the said lot, that line crossing a watercourse and Chemin Martin that it meets; easterly, part of the dividing line between the cadastres of the parishes of Saint-Louis-de-Terrebonne and Sainte-Anne-des-Plaines to the southwestern line of lot 468 of the latter cadastre; northwesterly, the line bordering on the southwest lots 468 and 467 of the said cadastre, that line crossing Chemin du Rang Sainte-Claire, Chemin Gauthier (route 335) and Chemin Trait-Carré and the right-of-way of a railroad (lot 510) that it meets; easterly, part of the dividing line between the cadastres of the parishes of Sainte-Anne-des-Plaines and Sainte-Sophie to the northeastern limit of the right-of-way of a road shown on the original (boulevard Laurier) bordering on the southwest lot 239 of the cadastre of Paroisse

de Sainte-Sophie; southeasterly, the northeastern limit of the said right-of-way to the apex of the western angle of lot 167 of the cadastre of Paroisse de Saint-Lin; in reference to that cadastre, northeasterly, the broken line bordering on the northwest the said lot; southeasterly, successively, the northeastern line of lots 167 in declining order to 158 then part of the northeastern line of lot 154 to the northern line of lot 153; easterly, the northern line of lots 153 and 152 and part of the northern line of lot 151 to the western line of lot 115; northerly, the western line of lots 115 and 114; easterly, the northern line of lots 114 and 112 then its extension to the centre line of the right-of-way of the road bordering on the east lots 112 and 113, that first line crossing the right-of-way of a railroad (lot 85) that it meets; southerly, the centre line of the right-of-way of the said road to its meeting point with the western extension of the northern line of lot 144; in a general easterly direction, successively, the said extension, the broken line bordering on the north and northeast lots 144, 143, 142, 141 and 140 then part of the dividing line between the cadastres of the parishes of Saint-Henri-de-Mascouche and Saint-Lin to the starting point.

Those limits define the territory of the new Ville de Terrebonne, in Municipalité régionale de comté des Moulins.

Ministère des Ressources naturelles  
Direction de l'information foncière  
sur le territoire public  
Division de l'arpentage foncier

Charlesbourg, 5 June 2001

Prepared by: JEAN-FRANÇOIS BOUCHER,  
*Land surveyor*

T-110/1

## SCHEDULE B

### VILLE DE TERREBONNE

#### District 1

Bordered on the north by Ville de Saint-Lin and Paroisse de Saint-Roch-de-l'Achigan, on the east by Paroisse de Saint-Roch-de-l'Achigan and Ville de Mascouche, on the south by Rivière Saint-Pierre and Chemin Curé-Barrette, on the east by the eastern line of lots 981 and 1093 to Boulevard Laurier (Route 337), on the northeast by Boulevard Laurier (Route 337), on the southeast by the former municipal limit between Ville de La Plaine and Ville de Terrebonne and on the southwest by Ville de Sainte-Anne-des-Plaines.

#### District 2

Bordered on the north by Chemin Curé-Barrette and Rivière Saint-Pierre, on the east by Ville de Mascouche and the extension of the rear line of the lots on Rue Trudel, the east side of the said street to Rue Rodrigue, on the south by Rue Rodrigue and on the northwest by the eastern limit of lot 981 to Chemin Curé-Barrette.

#### District 3

Bordered on the northeast by Rue Rodrigue, on the southeast by the southeastern limit of lots 1074 and 1108, on the southwest by Boulevard Laurier and on the northwest by the southeastern limit of lots 981 and 1093.

#### District 4

Bordered on the north by Rue Rodrigue, on the west by the rear line of the lots located on Rue Trudel, on the north by Ville de Mascouche, on the east by Ville de Mascouche, on the southwest by Boulevard Laurier (Route 337) and on the northwest by the northwestern limit of lots 1109 and 1073.

#### District 5

Bordered on the north and the west by Ville de Saint-Anne-des-Plaines and the former municipal limit of Ville de La Plaine, on the northeast by Chemin Gascon (Route 337), on the south by Rivière Mascouche, on the east by Rue Baron and the limit between lots 512 and 514, 511 and 510, on the northeast by the northeastern line of lot 643 and its extension to the intersection of lots 510, 511 and 645, on the southeast by Autoroute 640, on the southeast, south and southwest by Ville de Bois-des-Filion and Ville de Blainville.

#### District 6

Bordered on the north by Rivière Mascouche, on the northeast by Chemin Gascon (Route 337), on the south by Autoroute 640, on the east by Rue Plaisance, on the northeast by the southwestern limit of lot 106-97, on the north by the limit between lot corners (the south corner of lot 106-97 and the northwest corner of lot 112-302 with the ground line of lot 111), on the east by the limit between lots 108 and 109, on the south by the limit between the corner of lots 111, 112-197 and 112-279 and the rear limit of the lots on Place Loiret and the servitude of Hydro-Québec, on the southwest by the centre of the servitude of Hydro-Québec, on the south by Autoroute 640, on the southwest by the northeastern limit of lot 643 and by the extension of the northeastern limit of lot 643 to the intersection of lots 510, 511 and 645 and on the west by the limit between lots 510, 511 and 514 and Rue Baron.

**District 7**

Bordered on the north by Autoroute 640, on the northeast by the centre of the servitude of Hydro-Québec, on the north by the limit between the rear of the lots on Place Loiret, the servitude of Hydro-Québec and the corner of lots 111, 112-197 and 112-279 and by the rear line of the lots located between Rue Coulonge and Rue La Boisselière, on the east and on the northeast by Boulevard Des Seigneurs, on the southeast and east by the centre of the servitude of Hydro-Québec, on the south by Rivière des Mille-Îles and on the west by the municipal limit of Bois-des-Filions.

**District 8**

Bordered on the north by Autoroute 640, on the northeast by Chemin Gascon (Route 337), on the southeast and south by Rue Brochu, on the southeast and south by Rue Durocher, on the west by Rue Prévert, on the south by the rear line of the lots located between Rue Robert and Rue des Bouleaux, on the southwest by the rear line of the lots located between lots 134-249 and 134-250 fronting on Rue des Ardennes, on the south by Rue Robert, the limit between lots 134-192 and 134-193, between lots 134-196, 135-65 and 134-253, 135-66 by the rear line of the lots located on Boulevard Des Seigneurs, on the east by the rear line of the lots located on Rue Chimay and the line between lots 108 and 109, on the south by the limit between lot corners (the northwestern corner of lot 112-302 with the ground line of lot 111 and the southern corner of lot 106-97), on the southwest by the southwestern limit of lot 106-697 and on the west by Rue Plaisance.

**District 9**

Bordered on the northeast by Chemin Gascon (Route 337) and the limit of the cadastres of Lachenaie and Saint-Louis-de-Terrebonne, on the south by Chemin du Coteau and Boulevard De Hauteville, on the southeast by the centre of the servitude of Hydro-Québec, on the southwest by Rue Vaillant, on the south by Rue De La Tesserie, on the west by Boulevard Des Seigneurs, on the south by the rear line of the lots located between Rue Coulonge and Rue La Boisselière and its extension to the dividing line between lots 108 and 109, on the west by the line between lots 108 and 109 and the rear line of the lots on Rue Chimay, on the north by the rear line of the lots located on Boulevard Des Seigneurs, the limit between lots 134-196, 135-65 and 134-253, 135-66 and between lots 134-192 and 134-193 and by Rue Robert, on the northeast by the rear line of the lots located between lots 134-249 and 134-250, on the north by the rear line of the lots located between Rue Des Bouleaux and Rue Robert, on the east by Rue Prévert, on the north and northwest by Rue Durocher, on the north and northwest by Rue Brochu.

**District 10**

Bordered on the northeast by the limit of the cadastres of Lachenaie and Saint-Louis-de-Terrebonne, on the north and east by the former municipal limit between Ville de Terrebonne and Ville de Lachenaie, on the south by Montée Masson (Route 125) and Boulevard Des Seigneurs, on the east by Rue St-Sacrement, on the south by Rue St-Michel and Ruelle 334-13 and 360-2 and the southern limit of lot 362-1, on the west and south by Rivière des Mille-Îles, on the west by Autoroute 25, on the south by Boulevard Des Seigneurs, on the west by Rue Vaillant, on the northwest by the centre of the servitude of Hydro-Québec and on the north by Boulevard De Hauteville and Chemin Du Coteau.

**District 11**

By the whole Île St-Jean and the part bordered on the south by Rivière des Mille-Îles, on the west and northwest by the centre of the servitude of Hydro-Québec, on the southwest and west by Boulevard Des Seigneurs, on the north by Rue de La Tesserie, on the northeast and east by Rue Vaillant, on the north by Boulevard Des Seigneurs and on the east by Autoroute 25.

**District 12**

Bordered on the south by Rivière des Mille-Îles, on the north by the southern line of lot 362-1, by ruelle 334-13 and 360-2 and Rue St-Michel, on the west by Rue St-Sacrement, on the north by Boulevard des Seigneurs and Montée Masson (Route 125), on the east, north, east and northeast by the former municipal limit of Lachenaie and Ville de Terrebonne.

**District 13**

Bordered on the north by Ville de Mascouche, on the southeast and east by the Canadian Pacific railroad, on the south, southwest and southeast by the former municipal limit between Ville de Lachenaie and Ville de Terrebonne and on the southwest by the limit of the cadastre of the parishes of Lachenaie and Saint-Louis-de-Terrebonne and Chemin Gascon (Route 337).

**District 14**

Bordered on the north by Ville de Mascouche, on the east by the rear line of the lots located on the east side on Rue Du Beaujolais, Rue Chartrand, Rue Chantal and Rue Poirier, on the north by the rear line of the lots located on the north side of Chemin Saint-Charles, on the east by the rear line of the lots on the east side of Croissant de la Rive-Nord and to the west of civic number 1597, Chemin Saint-Charles, on the south by Rivière des Mille-Îles, on the southwest by the former municipal limit between Lachenaie and Terrebonne and on the west by the Canadian Pacific railroad.



**District 15**

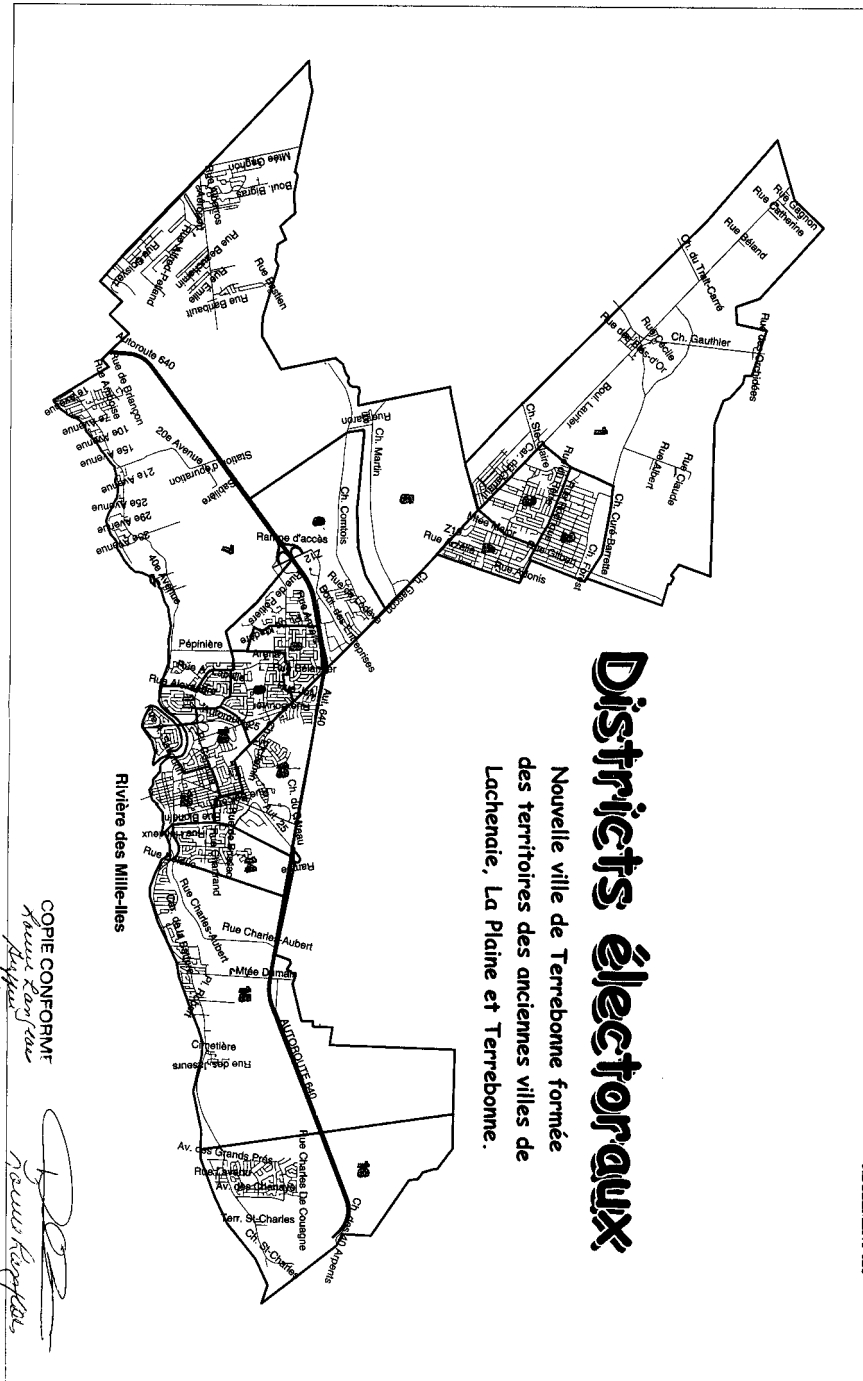
Bordered on the north and west by Ville de Mascouche, on the east by the dividing line between lots 66 and 68, on the south by Rivière des Mille-Îles, on the west by the rear line of the lots located on the east side of Croissant de la Rive-Nord and to the west of civic number 1597, Chemin Saint-Charles, on the north by the rear line of the lots located on the north side of Chemin St-Charles, on the west by the rear line of the lots located on the east side of Rue Porier, Rue Chantal, Rue Chartrand and Rue Du Beaujolais.

**District 16**

Bordered on the north by Ville de Mascouche and Ville de Le Gardeur, on the northeast and east by Ville de Le Gardeur and Ville de Charlemagne, on the south by Rivière des Prairies and Rivière des Mille-Îles and on the west by the dividing line between lots 66 and 68.

JACQUES NOURY,  
*Land surveyor*

Minute 43 182



Gouvernement du Québec

**O.C. 737-2001, 20 June 2001**

An Act respecting municipal territorial organization  
(R.S.Q., c. O-9)

Authorization to the Minister of Municipal Affairs and Greater Montréal to require Ville de Lac-Etchemin and Paroisse de Sainte-Germaine-du-Lac-Etchemin to file a joint application for amalgamation

WHEREAS under section 125.2 of the Act respecting municipal territorial organization (R.S.Q., c. O-9), enacted by section 1 of chapter 27 of the Statutes of 2000, the Minister of Municipal Affairs and Greater Montréal may, with the authorization of the Government, require local municipalities to file with the Minister a joint application for amalgamation within the time prescribed by the Minister;

WHEREAS it is expedient to authorize the Minister to require Ville de Lac-Etchemin and Paroisse de Sainte-Germaine-du-Lac-Etchemin to file with the Minister a joint application for amalgamation;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Municipal Affairs and Greater Montréal:

THAT the Minister of Municipal Affairs and Greater Montréal be authorized to require Ville de Lac-Etchemin and Paroisse de Sainte-Germaine-du-Lac-Etchemin, in accordance with section 125.2 of the Act respecting municipal territorial organization, to file with the Minister a joint application for amalgamation.

JEAN ST-GELAIS,  
*Clerk of the Conseil exécutif*

4364



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## Parliamentary Committees

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### Committee on Labour and the Economy

#### General consultation

#### **The price of gasoline and its effects on the economy of Québec**

The Committee on Labour and the Economy will hold public hearings beginning on 28 August 2001 in pursuance of a general consultation regarding the price of gasoline and its effects on the economy of Québec. Individuals and organizations who wish to express their views on this matter must submit a brief to the committees secretariat not later than 17 August 2001.

The Committee will select the individuals and organizations it wishes to hear from among those who have submitted a brief. Every brief must be accompanied by a concise summary of its contents, and both documents must be submitted in 25 copies printed on letter-size paper. Those who wish to have their brief forwarded to the press gallery must provide an additional 20 copies.

Briefs, correspondence, and requests for information should be addressed to: Mrs. Nancy Ford, Clerk of the Committee on Labour and the Economy, Édifice Honoré-Mercier, 835, boulevard René-Lévesque Est, bureau 2.01, Québec (Québec) G1A 1A3.

Telephone: (418) 643-2722; facsimile: (418) 643-0248  
E-Mail: [nford@assnat.qc.ca](mailto:nford@assnat.qc.ca)



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## Notices

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### Notification

Ecological Reserves Act  
(R.S.Q., c. R-26.1)

#### **Chicobi Ecological Reserve — Creation**

Notification is hereby given in accordance with section 2 of the Ecological Reserves Act of the Minister of the Environment's intent to propose to the government of Québec the creation of the Chicobi Ecological Reserve within the Abitibi regional county municipality.

Specifically, the proposed reserve of nearly 2175 hectares (21.75 square kilometres) comprises lots 19 to 37 of Rang VIII, lots 19 to 35 and part of lots 36 and 37 of Rang IX, lots 8 to 14, and parts of lots 15 to 22 of Rang X of the Guyenne township. It also includes lots 8 to 12 and part of lots 13 to 20 of Rang I of the Ligneris township.

Anyone interested in commenting on this project can do so within 30 days of this notification by writing to the Minister of the Environment, André Boisclair, at 675, boulevard René-Lévesque Est, 30<sup>e</sup> étage, Québec (Québec) G1R 5V7.

GILBERT CHARLAND,  
*Deputy Minister*

4355





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Abbreviations : **A**: Abrogated, **N**: New, **M**: Modified

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