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Part

2

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Laws and Regulations

Volume 150

Summary

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Contents

Part 2 contains:

- (1) Acts assented to;
- (2) proclamations and Orders in Council for the coming into force of Acts;
- (3) regulations and other statutory instruments whose publication in the *Gazette officielle du Québec* is required by law or by the Government;
- (4) Orders in Council, decisions of the Conseil du trésor and minister’s orders whose publication is required by law or by the Government;
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PROVINCE OF QUÉBEC

1ST SESSION

41ST LEGISLATURE

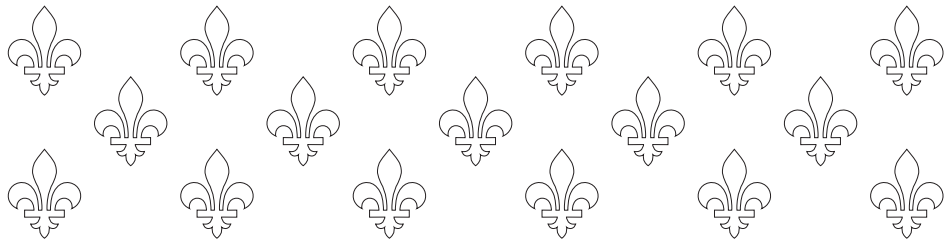
QUÉBEC, 7 DECEMBER 2017

OFFICE OF THE LIEUTENANT-GOVERNOR*Québec, 7 December 2017*

This day, at thirty minutes past two o'clock in the afternoon, His Excellency the Lieutenant-Governor was pleased to assent to the following bills:

- 135 An Act to reinforce the governance and management of the information resources of public bodies and government enterprises
- 146 An Act to give effect mainly to fiscal measures announced in the Budget Speech delivered on 28 March 2017
- 154 An Act to implement certain recommendations of the report of the committee on the remuneration of judges for 2016–2019

To these bills the Royal assent was affixed by His Excellency the Lieutenant-Governor.



NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 135
(2017, chapter 28)

**An Act to reinforce the governance and
management of the information
resources of public bodies and
government enterprises**

**Introduced 25 April 2017
Passed in principle 5 October 2017
Passed 7 December 2017
Assented to 7 December 2017**

EXPLANATORY NOTES

This Act changes the information resource governance and management rules applicable to public bodies and government enterprises.

It modifies the functions of information officers and the structure of their group of positions, in particular by enhancing the chief information officer's role. The network and sectoral information officers are replaced by information officers who will be appointed by a minister and attached to a department and all the public bodies under that minister's responsibility, unless the Conseil du trésor authorizes a public body to designate its own information officer.

A governance committee composed of the chief information officer and the information officers is established to strengthen the governance of information resources. Its mandate includes identifying opportunities for optimizing, sharing and pooling information services and assets.

The management tools that a public body must establish for the governance and management of its information resources are redefined by distinguishing those that will be required for the purposes of investment and expenditure planning from those that will be applicable to information resource projects.

Under the Act, public bodies are required to prepare, in accordance with the conditions and procedures determined by the Conseil du trésor, various planning documents that will allow the chief information officer to prepare each year a government information resource investment and expenditure plan which is to be made public.

The Conseil du trésor is given the power to determine various measures applicable, in particular, with respect to the stages and follow-up of the information resource projects of public bodies and to required opinions and authorizations. The Chair of the Conseil is also given the power to conduct audits.

The chief information officer is given the power to require a public body to report on an information resource project. In addition, the chief information officer is required to periodically publish a report on certain information resource projects.

The planning and management tools applicable to government enterprises are also modified and the Agence du revenu du Québec loses its special status as a government enterprise within the meaning of the Act respecting the governance and management of the information resources of public bodies and government enterprises.

The Government may require, according to the conditions it determines, that a public body use a service of, or transfer information assets to, another public body.

Lastly, various consequential and transitional provisions are included.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the Centre de services partagés du Québec (chapter C-8.1.1);
- Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03);
- Public Infrastructure Act (chapter I-8.3);
- Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2);
- Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies (chapter O-7.2);
- Act respecting the sharing of certain health information (chapter P-9.0001).

ORDER IN COUNCIL AMENDED BY THIS ACT:

- Order in Council 1091-2012 dated 21 November 2012 (2012, G.O. 2, 5454, French only) concerning the partial exemption of the Autorité des marchés financiers from the application of the Act respecting the governance and management of the information resources of public bodies and government enterprises.

ORDER IN COUNCIL REPEALED BY THIS ACT:

- Order in Council 245-2014 dated 5 March 2014 (2014, G.O. 2, 1273, French only) concerning the partial exemption of the Société de l'assurance automobile du Québec from the application of the Act respecting the governance and management of the information resources of public bodies and government enterprises.

Bill 135

AN ACT TO REINFORCE THE GOVERNANCE AND MANAGEMENT OF THE INFORMATION RESOURCES OF PUBLIC BODIES AND GOVERNMENT ENTERPRISES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING THE GOVERNANCE AND MANAGEMENT OF THE
INFORMATION RESOURCES OF PUBLIC BODIES AND
GOVERNMENT ENTERPRISES

1. Section 1 of the Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03) is amended by replacing paragraph 3 by the following paragraphs:

“(3) ensuring rigorous and transparent planning of how amounts allocated to information resources will be used while promoting, among other things, the efficient management of public funds;

“(4) fostering best practices in information resource project management; and

“(5) allowing the implementation of guidelines common to all public bodies.”

2. Section 2 of the Act, amended by section 78 of chapter 21 of the statutes of 2017, is again amended

(1) by striking out “and the Agence du revenu du Québec” in subparagraph 3 of the first paragraph;

(2) by replacing “and the Office des personnes handicapées du Québec” in subparagraph 5 of the first paragraph by “, the Office des personnes handicapées du Québec and the Régie de l’assurance maladie du Québec”.

3. Section 4 of the Act is amended by replacing “the Agence du revenu du Québec and the Caisse de dépôt et placement du Québec” by “the Caisse de dépôt et placement du Québec and the Commission de la construction du Québec”.

4. The heading of Chapter II of the Act is replaced by the following heading:

“CHIEF INFORMATION OFFICER AND INFORMATION OFFICERS”.

5. Section 7 of the Act is amended

(1) by inserting the following paragraphs before paragraph 1:

“(0.1) developing, and submitting to the Conseil du trésor, an overall vision for information resources;

“(0.2) facilitating a good match between, on the one hand, government priorities and the priorities of public bodies and, on the other hand, the possibilities offered by information resources in terms of supporting those bodies’ transformation projects and day-to-day activities;”;

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

“(3) drawing up the information resource investment and expenditure plan required under section 16.1 and any other planning document requested by the Chair of the Conseil du trésor;”;

(3) by replacing “communicating information best practices to” in paragraph 7 by “disseminating best practices and innovative solutions and approaches with respect to information resources among”;

(4) by replacing paragraph 8 by the following paragraph:

“(8) taking the necessary measures to ensure that public bodies consider all the technologies offering potential savings or benefits and all the development or acquisition models available to meet their needs, including open-source software;”.

6. Division II of Chapter II of the Act is replaced by the following division:

“DIVISION II

“INFORMATION OFFICERS

“8. The incumbent minister of a department, after consultation with the chief information officer, designates an information officer within the department for the department and all the other public bodies under the minister’s responsibility.

However, the Conseil du trésor may, on the recommendation of the minister responsible for a body referred to in the first paragraph, authorize the body to designate its own information officer. In such a case, the designation is made by the chief executive officer of the body after consultation with the chief information officer. As of that designation, no information officer designated in accordance with the first paragraph performs functions for that public body.

For the purposes of this Act, the chief executive officer of the public body is the person having the highest administrative authority, such as the deputy minister, the president, the director general or any other person responsible for the day-to-day management of the body. However, in the case of a public body referred to in subparagraph 4 or 4.1 of the first paragraph of section 2, the chief executive officer of the body is the board of governors or, in the case of a school board, the council of commissioners.

“9. Despite the first paragraph of section 8, a minister may, after consultation with the chief information officer, enter with another minister into an agreement under which the information officer designated by the latter under that paragraph is to also act as information officer for the minister’s department and for the other public bodies under the minister’s responsibility.

“10. An information officer designated under the first paragraph of section 8 and attached to the public bodies referred to in subparagraph 4, 4.1 or 5 of the first paragraph of section 2 may be designated as “network information officer”.

“10.1. The functions of an information officer include

(1) ensuring that each public body to which the information officer is attached applies the governance and management rules established under this Act and that the guidelines determined under the second paragraph of section 21 are implemented;

(2) coordinating and promoting organizational transformation within each of those bodies;

(3) reporting to the chief information officer on the progress and results of the information resource projects of each of those bodies;

(4) ensuring, if the information officer is attached to two or more public bodies, the consolidation of the planning tools produced by those bodies;

(5) participating in the governance committee established under section 12.1;

(6) advising the chief executive officer of each public body to which the information officer is attached on all aspects of information resources, in particular as regards innovative approaches and solutions that could meet its needs;

(7) defining, as necessary and in keeping with the rules established in accordance with this Act, specific information management rules, including information security rules, which, after being approved by the Conseil du trésor, will be applicable to all or some of the public bodies to which the information officer is attached;

(8) taking the necessary measures to ensure that the bodies to which the information officer is attached consider all the technologies offering potential savings or benefits and all the development or acquisition models available to meet their needs, including open-source software;

(9) ensuring the longevity of the information assets of the public bodies to which the information officer is attached; and

(10) exercising any other function required under this Act.

The specific rules defined in accordance with subparagraph 7 of the first paragraph by the information officer designated by the Minister of Health and Social Services may, in the cases provided for in an Act administered by that minister, also apply to bodies and persons in the health and social services network. That information officer also exercises any functions required under such an Act.

“10.2. If the chief information officer is of the opinion that an information officer is not exercising the information officer’s functions in accordance with the Act, the chief information officer may recommend to the person who designated the information officer that the information officer be replaced.”

7. Division III of Chapter II of the Act is repealed.

8. The Act is amended by inserting the following chapter before Chapter III:

“CHAPTER II.1

“GOVERNANCE COMMITTEE

“12.1. A governance committee composed of the chief information officer and all the information officers is established. The mandate of the committee, which is chaired by the chief information officer, includes

(1) developing guidelines to be proposed to the Conseil du trésor;

(2) ensuring concerted implementation of the guidelines determined by the Conseil du trésor; and

(3) identifying opportunities for optimizing, sharing and pooling information resource services and information assets, in particular by promoting their interoperability.”

9. Chapter III of the Act is replaced by the following chapter:

“CHAPTER III

“PUBLIC BODY PLANNING AND MANAGEMENT

“DIVISION I

“PLANNING

“13. For the purposes of the development of government-wide information resource planning, a public body must

(1) establish an information resource master plan that sets out, among other things, its risk management practices and the measures relating to information resources that will be implemented to achieve its mission and its strategic priorities in keeping with the guidelines determined under the second paragraph of section 21;

(2) establish an information resource investment and expenditure program;

(3) compile and keep up to date an inventory of its information assets, including an evaluation of their condition;

(4) provide a portrait of the workforce assigned to information resources and of the use of consultants assigned to the same;

(5) describe how amounts allocated to information resource investments and expenditures will be used; and

(6) produce any other planning tool determined by the Conseil du trésor.

“14. A public body must send or otherwise make available to the chief information officer and the information officer attached to the public body the planning tools produced under section 13.

“15. The information officer must give an advisory opinion to the chief information officer and to each of the public bodies concerned, particularly as regards compliance with the guidelines determined under the second paragraph of section 21 and as regards possible avenues for optimization.

The information officer must also send to the chief information officer a consolidation of the planning tools obtained from the public bodies to which the information officer is attached and provide a copy to the minister responsible for each body for information purposes.

“16. The Conseil du trésor must determine conditions and procedures relating to the planning tools to be produced under section 13 and the documents to be produced by the information officer under section 15, which may, in particular, pertain to the period they are to cover, their required content and form, the deadlines by which they must be sent and, if applicable, the intervals at which they must be reviewed.

When such conditions and procedures are to apply to the planning tools and documents of the public bodies referred to in any of subparagraphs 4, 4.1 and 5 of the first paragraph of section 2, they are determined after consultation with the minister responsible for those bodies.

“16.1. Each year, the chief information officer must send to the Chair of the Conseil du trésor an investment and expenditure plan for the information resources of public bodies that includes

(1) a description of the contribution of information resources to State activities and of how the master plans are aligned with the guidelines determined under the second paragraph of section 21;

(2) information on the information resource investments and expenditures that public bodies plan to make;

(3) information on information resource projects whose estimated total cost is greater than the threshold determined by the Conseil du trésor and on other projects that are of government-wide interest; and

(4) an inventory of the information assets of public bodies, including an evaluation of their condition.

The plan is then made public not later than 60 days after it is sent to the Chair of the Conseil du trésor.

“DIVISION II

“MANAGEMENT OF INFORMATION RESOURCE PROJECTS

“16.2. A public body must comply with the project management conditions and procedures determined by the Conseil du trésor and relating to such aspects as

(1) the stages a project must go through;

(2) the required opinions and authorizations;

(3) the criteria to be considered for granting authorizations; and

(4) project follow-up.

If the conditions and procedures relate to the management of projects carried out by the public bodies referred to in any of subparagraphs 4, 4.1 and 5 of the first paragraph of section 2, they must be determined on the joint recommendation of the Chair of the Conseil du trésor and the minister responsible for those bodies. If they relate to the management of projects carried out by a body having its own information officer in accordance with the second paragraph of section 8, they must be determined after consultation with the minister responsible for the body.

The management conditions and procedures may, in particular, pertain to the type of documents to be produced and their required content and form, as well as the deadlines by which they must be sent. They may also determine the types of projects that must be authorized and followed up on, and the authority responsible for authorizing an information resource project or a phase of such a project. Such determination may vary according to the costs of the project, its complexity and the risks it involves.

The Conseil du trésor may also allow the decision-making authority to delegate its power of authorization.

“16.3. For the purposes of this Act, an information resource project consists in all the actions taken to develop, acquire, update or replace an information asset or information resource service. It is considered to be of “government-wide interest” if it is designated as such by the Conseil du trésor.

However, a technology research and development project carried out in the context of teaching or research under the direction of a professor, researcher, senior lecturer, student, intern, technician or research professional at a university institution referred to in subparagraph 4.1 of the first paragraph of section 2 is not an information resource project.

“16.4. The chief information officer may require a public body to report on such aspects of an information resource project as the chief information officer determines.

“16.5. The Conseil du trésor may impose support measures, such as the assistance of a monitoring committee, on a public body with respect to a project.

A public body on which support measures are imposed must send or otherwise make available to any person responsible for applying those measures any document or information that person considers necessary.

“16.6. The chief information officer must periodically publish a report on the information resource projects of public bodies that meet the criteria determined by the Conseil du trésor.

“DIVISION III**“REPORTING**

“16.7. Each public body must report on the contribution of information resources to the achievement of its mission, in particular by describing the impact of such resources on the performance of its organization.

The Conseil du trésor determines reporting conditions and procedures. Such conditions and procedures may, in particular, pertain to the required content and form of the report, the deadline by which it must be filed and, if applicable, the intervals at which it must be reviewed.

Such a report must be made public every year.”

10. The heading of Chapter IV of the Act is amended by replacing “GOVERNANCE” by “PLANNING”.

11. Section 17 of the Act is amended by replacing “management tools and approval and authorization mechanisms” in the first paragraph by “planning and management tools”.

12. Section 18 of the Act is replaced by the following section:

“18. A government enterprise must provide the chief information officer with information on its information assets and its information resource projects that meet the criteria determined by the Conseil du trésor, and any other information determined by the Conseil du trésor. However, the Conseil du trésor may not require information if the enterprise shows that its release would likely reveal an investment strategy or substantially reduce the enterprise’s competitive margin.

That information must be provided in accordance with the conditions and in the manner determined by the Conseil du trésor.”

13. The heading of Chapter V of the Act is replaced by the following heading: “SPECIFIC RESPONSIBILITIES”.

14. Section 20 of the Act is amended

(1) by replacing “infrastructures or services” in subparagraph 2 of the second paragraph by “information resource services and information assets”;

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

15. Section 21 of the Act is amended by replacing the second and third paragraphs by the following paragraph:

“It may also determine guidelines pertaining to the principles or practices to be applied in information resource management, including practices to optimize work organization and the necessity of considering all the technologies offering potential savings or benefits and all the development or acquisition models available to meet the needs of public bodies, including open-source software.”

16. The Act is amended by inserting the following section after section 22:

“**22.1.** The Government may, on the conditions it determines and on the recommendation of the Conseil du trésor, require

(1) that a public body use an information resource service of the Centre de services partagés du Québec or of another public body it designates; and

(2) that the information assets of a public body and all the resulting obligations, including lease-related obligations, be transferred to a body designated under subparagraph 1.

The application of the first paragraph does not transfer ownership of personal information to the designated body or change the applicable confidentiality rules.

This section does not apply to administrative bodies established to exercise adjudicative functions.”

17. The Act is amended by inserting the following chapter after Chapter V:

“CHAPTER V.1

“AUDIT

“**22.2.** The Chair of the Conseil du trésor may conduct an audit to determine whether a public body’s information resource investment and expenditure planning and information resource project management are consistent with the measures established under this Act. The audit may verify, among other things, whether the public body’s actions comply with this Act and with the rules and directives issued under it to which the body is subject.

The Chair of the Conseil du trésor may designate in writing a person to conduct the audit.

“**22.3.** At the request of the Chair of the Conseil du trésor or the person designated to conduct the audit, the public body being audited must send or otherwise make available to the Chair or the designated person all documents and information considered necessary to conduct the audit.

“22.4. The Chair of the Conseil du trésor makes any recommendations the Chair may have to the Conseil du trésor. The latter may then require the public body to take corrective measures, conduct any appropriate follow-up or comply with any other measure determined by the Conseil du trésor, including oversight or support measures. The Conseil du trésor may also recommend the suspension or termination of an information resource project.”

18. The heading of Chapter VII of the Act is replaced by the following:

“MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

“40.1. The conditions, procedures and other elements determined by the Conseil du trésor for the purposes of this Act may vary depending on the public body and, if applicable, the government enterprise.”

ACT RESPECTING THE CENTRE DE SERVICES PARTAGÉS DU QUÉBEC

19. Section 10 of the Act respecting the Centre de services partagés du Québec (chapter C-8.1.1) is amended by adding “, other than a service whose use may be imposed under subparagraph 1 of the first paragraph of section 22.1 of the Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03)” at the end of the first paragraph.

PUBLIC INFRASTRUCTURE ACT

20. The Public Infrastructure Act (chapter I-8.3) is amended by inserting the following division after section 21:

“DIVISION IV

“OTHER PROVISIONS

“21.1. When public infrastructure investments concern information resources, the provisions of the Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03) regarding information resource planning and information resource project management apply in place of the provisions of this chapter, except as regards the Québec infrastructure plan.”

ACT RESPECTING THE MINISTÈRE DE LA SANTÉ ET DES SERVICES SOCIAUX

21. Section 5.2 of the Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2) is amended by replacing “section 10” in the introductory clause of the first paragraph by “section 10.1”.

ACT TO MODIFY THE ORGANIZATION AND GOVERNANCE OF THE HEALTH AND SOCIAL SERVICES NETWORK, IN PARTICULAR BY ABOLISHING THE REGIONAL AGENCIES

22. Section 151 of the Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies (chapter O-7.2), amended by section 14 of chapter 21 of the statutes of 2017, is again amended

(1) by inserting “, and in the case of a project under consideration for authorization, if it is compliant with the conditions and procedures determined by the Conseil du trésor under section 16.2 of the Act respecting the governance and management of the information resources of public bodies and government enterprises” at the end of the third paragraph;

(2) by replacing the fourth and fifth paragraphs by the following paragraph:

“The first paragraph does not apply if the conditions and procedures referred to in the third paragraph confer on the Government or the Conseil du trésor the power to authorize the project on the recommendation of the Minister.”

ACT RESPECTING THE SHARING OF CERTAIN HEALTH INFORMATION

23. Section 4 of the Act respecting the sharing of certain health information (chapter P-9.0001) is amended by replacing “section 10” in the introductory clause by “section 10.1”.

24. Section 14 of the Act is amended by replacing “or a public body” by “or another public body”.

OTHER AMENDING PROVISIONS

25. Order in Council 1091-2012 dated 21 November 2012 (2012, G.O. 2, 5454, French only) concerning the partial exemption of the Autorité des marchés financiers from the application of the Act respecting the governance and management of the information resources of public bodies and government enterprises continues to apply but must be read as exempting that body from the application of sections 8 to 16.7 and 22.1 of the Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03).

26. Order in Council 245-2014 dated 5 March 2014 (2014, G.O. 2, 1273, French only) concerning the partial exemption of the Société de l'assurance automobile du Québec from the application of the Act respecting the governance and management of the information resources of public bodies and government enterprises is repealed.

TRANSITIONAL AND FINAL PROVISIONS

27. Despite the replacement of Chapter III of the Act respecting the governance and management of the information resources of public bodies and government enterprises (chapter G-1.03) by section 9, every public body must produce

(1) a review of achievements and benefits for each of the fiscal years beginning in 2017 and 2018;

(2) a spending program detailing how the amounts it plans to allocate to its projects and activities for the fiscal year beginning in 2018 will be used; and

(3) a three-year plan of projects and activities for the fiscal years beginning in 2019, 2020 and 2021.

Those documents must be produced, analyzed and approved in accordance with the provisions of the Act respecting the governance and management of the information resources of public bodies and government enterprises, including the rules made for their application, as they read on 6 March 2018. However, no information resource project may be authorized while the spending program is in the process of being approved.

The first paragraph does not apply to the Agence du revenu du Québec.

28. For the purposes of section 27, the chief information officer, the network information officers and the sectoral information officers continue, despite sections 5 to 7 and 9, to exercise the functions provided for in Chapter II and in Division I of Chapter III of the Act respecting the governance and management of the information resources of public bodies and government enterprises, as they read on 6 March 2018.

29. Sections 16.2 and 16.4 to 16.6 of the Act respecting the governance and management of the information resources of public bodies and government enterprises, enacted by section 9, apply to all information resource projects, within the meaning of section 15 of that Act, as it read on 6 March 2018, that are in progress on that date.

The first paragraph does not apply to the Agence du revenu du Québec.

30. Despite the first paragraph of section 16.1 of the Act respecting the governance and management of the information resources of public bodies and government enterprises, enacted by section 9, the investment and expenditure plan for the information resources of public bodies that must be sent to the Chair of the Conseil du trésor in the year 2018 must only include information on the information resource investments and expenditures of the public bodies referred to in subparagraphs 1 to 3 of the first paragraph of section 2 of that Act.

The information resource investment and expenditure plan that must be sent in the year 2019 must include, in addition to the information specified in the first paragraph, an inventory of the information assets of the public bodies referred to in subparagraphs 1 to 3 of the first paragraph of section 2 of that Act.

31. Despite the replacement of section 18 of the Act respecting the governance and management of the information resources of public bodies and government enterprises by section 12, the Agence du revenu du Québec must continue, until 31 March 2019, to give information on its information resource projects and activities on the conditions and in the manner set by the agreement entered into under the second paragraph of section 18 of that Act, as it read on 6 March 2018.

32. An order imposing an information resource service, made under section 10 of the Act respecting the Centre de services partagés du Québec (chapter C-8.1.1) and in force on 6 March 2018, is deemed to have been made under section 22.1 of the Act respecting the governance and management of the information resources of public bodies and government enterprises, enacted by section 16.

33. This Act comes into force on 7 March 2018, except

(1) the provisions of section 9, to the extent that it enacts paragraph 2 of section 13 and section 16.7 of the Act respecting the governance and management of the information resources of public bodies and government enterprises, which come into force on 1 April 2019;

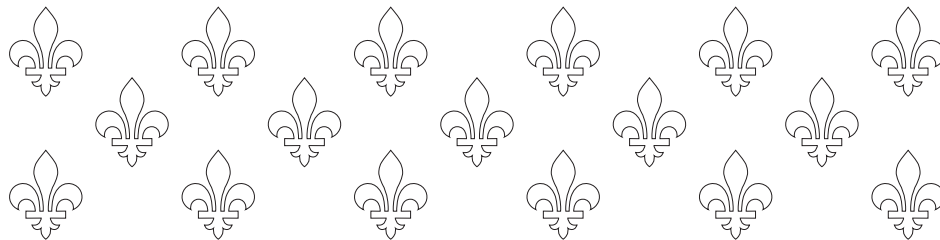
(2) the provisions of section 9, to the extent that it enacts paragraph 3 of section 13 of that Act, with respect to public bodies referred to in subparagraphs 4 to 5 of the first paragraph of section 2 of that Act, which come into force on 1 April 2020;

(3) the provisions of section 9, to the extent that it enacts paragraph 4 of section 13 of that Act

(a) with respect to public bodies referred to in subparagraphs 2, 3 and 6 of the first paragraph of section 2 of that Act whose personnel is not appointed in accordance with the Public Service Act (chapter F-3.1.1), which come into force on 1 April 2019; and

(b) with respect to public bodies referred to in subparagraphs 4 to 5 of the first paragraph of section 2 of that Act whose personnel is not appointed in accordance with the Public Service Act, which come into force on 1 April 2020; and

(4) the provisions of section 9, to the extent that it enacts paragraph 5 of section 13 of that Act, which come into force on 1 April 2020.



NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 146
(2017, chapter 29)

**An Act to give effect mainly to fiscal
measures announced in the Budget
Speech delivered on 28 March 2017**

**Introduced 9 November 2017
Passed in principle 16 November 2017
Passed 6 December 2017
Assented to 7 December 2017**

**Québec Official Publisher
2017**

EXPLANATORY NOTES

This Act amends various Acts to give effect mainly to fiscal measures announced in the Budget Speech delivered on 28 March 2017, the November 2017 update of the Québec Economic Plan and in various Information Bulletins published in 2016 and 2017.

The Taxation Act is amended to introduce or modify fiscal measures specific to Québec. More specifically, the amendments deal with

(1) general tax reduction for individuals and simplification of the calculation of personal tax credits as of 1 January 2017;

(2) reverting to 65 the age of eligibility for the tax credit with respect to age;

(3) lowering to 62 the age of eligibility for the tax credit for experienced workers;

(4) introduction of a supplement for handicapped children requiring exceptional care as part of the refundable tax credit for child assistance;

(5) relaxation of the distance standard imposed for certain tax credits related to obtaining medical care;

(6) extension to 31 March 2018 of the eligibility period for the temporary refundable tax credit for eco-friendly renovation (RenoVert);

(7) introduction of a temporary refundable tax credit for the upgrading of residential waste water treatment systems;

(8) implementation of an income-averaging mechanism for forest producers;

(9) extension to all sectors of activity of the relaxation of the rules applicable to the transfer of family businesses;

(10) increase in the additional deduction for the transportation costs of small and medium-sized businesses;

(11) *introduction of a deduction for innovative manufacturing corporations;*

(12) *introduction of a temporary refundable tax credit for major digital transformation projects;*

(13) *increase in tax credits in the cultural sector;*

(14) *introduction of a temporary refundable tax credit for the production of biodiesel fuel; and*

(15) *extension of the compensation tax for financial institutions until 31 March 2024.*

The Act respecting the Régie de l'assurance maladie du Québec is amended to, among other things, abolish the health contribution for low- or middle-income taxpayers as of the year 2016 and for all taxpayers as of the year 2017.

The Act respecting the Québec sales tax is amended to, among other things,

(1) *cease the payment to Ville de Montréal of the compensation for the elimination of the amusement tax; and*

(2) *introduce a residency requirement for the purposes of the rebate of the Québec sales tax to public service bodies.*

In addition, the Taxation Act and the Act respecting the Québec sales tax are amended to make amendments similar to those made to the Income Tax Act and the Excise Tax Act by federal bills assented to in 2014, 2015 and 2016. The Act gives effect mainly to harmonization measures announced in various Information Bulletins published in 2015 and 2016 and in the Budget Speeches delivered on 4 June 2014 and 26 March 2015. More specifically, the amendments deal with

(1) *property used in the course of carrying on a farming or fishing business;*

(2) *deduction for individuals residing in certain remote areas;*

(3) *tax on split income;*

(4) *fiscal treatment of gifts in the context of death;*

(5) *new rules applicable to certain loans received and indebtedness incurred by corporations not resident in Canada; and*

(6) zero-rated status for certain health-related supplies and taxation of purely cosmetic procedures supplied by charities.

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

LEGISLATION AMENDED BY THIS ACT:

- Tax Administration Act (chapter A-6.002);
- Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);
- Act respecting duties on transfers of immovables (chapter D-15.1);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi (chapter F-3.1.2);
- Mining Tax Act (chapter I-0.4);
- Taxation Act (chapter I-3);
- Act respecting administrative justice (chapter J-3);
- Act respecting labour standards (chapter N-1.1);
- Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);
- Act respecting the Régie de l’assurance maladie du Québec (chapter R-5);
- Act respecting the Québec Pension Plan (chapter R-9);
- Voluntary Retirement Savings Plans Act (chapter R-17.0.1);
- Business Corporations Act (chapter S-31.1);
- Act respecting the Québec sales tax (chapter T-0.1);
- Act to give effect to the Budget Speech delivered on 4 June 2014 and to various other fiscal measures (2015, chapter 21);

- Act to give effect mainly to fiscal measures announced in the Budget Speech delivered on 17 March 2016 (2017, chapter 1).

REGULATIONS AMENDED BY THIS ACT:

- Regulation respecting the Taxation Act (chapter I-3, r. 1);
- Regulation respecting pensionable employment (chapter R-9, r. 6).

Bill 146

AN ACT TO GIVE EFFECT MAINLY TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 28 MARCH 2017

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. The Tax Administration Act (chapter A-6.002) is amended by inserting the following section after section 31.1:

“31.1.0.1. The Minister may, in accordance with the terms and conditions provided for in the second paragraph and after proceeding with the allocation under sections 31 and 31.1, if applicable, allocate an amount that the Minister must refund to a person under a fiscal law to stand in lieu of the guarantee that the person failed to furnish under section 232.4 or 232.7 of the Mining Act (chapter M-13.1), up to the difference between the total amount of the required guarantees and the amount of the guarantees furnished under sections 232.4 and 232.7.

The Government may, after obtaining the opinion of the Commission d'accès à l'information, make regulations to determine the terms and conditions for the operations of the allocation provided for in the first paragraph, the information necessary for that allocation and the terms and conditions respecting communication of that information.

At the request of the Minister or a person expressly authorized by the Minister for that purpose, the information may be provided by the transfer of information files.

Where the Minister, by error or on the basis of inaccurate or incomplete information, has allocated to stand in lieu of the guarantee referred to in the first paragraph an amount greater than that which the Minister should have allocated, the excess amount is deemed, from the allocation, to stand in lieu of the guarantee.”

2. Section 31.1.6 of the Act is amended by replacing “section 31 or 31.1.5” by “any of sections 31, 31.1.0.1 and 31.1.5”.

3. Section 31.1.7 of the Act is amended by replacing “sections 31.1.1 to 31.1.6” by “sections 31.1.0.1 to 31.1.6”.

4. (1) Section 93.2.1 of the Act is amended by replacing “subparagraph *b* of the first paragraph” in the second paragraph by “subparagraph *b*”.

(2) Subsection 1 has effect from 5 January 2014.

ACT CONSTITUTING CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

5. (1) Section 19 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) is amended

(1) by replacing “and 6” in the seventh paragraph by “, 6 and 11”;

(2) by replacing “7 to 12” in the eighth paragraph by “7 to 10 and 12”;

(3) by replacing “\$40,000,000” in subparagraph 8 of the tenth paragraph by “\$85,000,000”.

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2016.

ACT RESPECTING DUTIES ON TRANSFERS OF IMMOVABLES

6. (1) The Act respecting duties on transfers of immovables (chapter D-15.1) is amended by inserting the following sections after section 4.2:

“4.2.1. Despite the first paragraph of section 4.1, a transferee is not required to pay the transfer duties that would have been otherwise payable as a consequence of the application of that paragraph if, at a particular time in the 24-month period following the date of the transfer, the condition relating to the percentage of voting rights is no longer met by reason of

(a) the amalgamation of the transferee with one or more legal persons provided the transferor owns shares of the capital stock of the legal person resulting from that amalgamation that, throughout the period that begins immediately after that amalgamation and ends 24 months after the date of the transfer of the immovable, carry at least 90% of the voting rights that may be exercised under any circumstances at the annual meeting of shareholders of that legal person; or

(b) the dissolution of the transferee.

“4.2.2. Despite the second paragraph of section 4.1, a transferee is not required to pay the transfer duties that would have been otherwise payable as a consequence of the application of that paragraph if, at a particular time in the 24-month period following the date of the transfer, the transferor and the transferee that are parties to the transfer cease to be closely related legal persons by reason of

(a) the amalgamation of the transferor with the transferee;

(b) the amalgamation of the transferor with one or more legal persons, other than the transferee, provided the legal person resulting from that amalgamation is closely related to the transferee throughout the period that begins immediately after that amalgamation and ends 24 months after the date of the transfer of the immovable;

(c) the amalgamation of the transferee with one or more legal persons, other than the transferor, provided the legal person resulting from that amalgamation is closely related to the transferor throughout the period that begins immediately after that amalgamation and ends 24 months after the date of the transfer of the immovable; or

(d) the dissolution of the transferor or of the transferee.

For the purposes of subparagraphs *b* and *c* of the first paragraph, the second, third and fourth paragraphs of section 19 apply for the purpose of determining whether a legal person is closely related to a particular legal person at a particular time and, to that end, the second and third paragraphs of section 19 are to be read as if “at the time of the transfer” were replaced by “at the particular time”.

(2) Subsection 1 applies in respect of the transfer of an immovable that occurs after 17 March 2016.

7. (1) Section 4.3 of the Act is amended by replacing “section 4.2” by “sections 4.2 and 4.2.1”.

(2) Subsection 1 applies in respect of the transfer of an immovable that occurs after 17 March 2016.

8. (1) Section 10.1 of the Act is amended

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

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

“The information contained in the notice of disclosure is sent to the Minister of Revenue by the municipality that received the notice.”

(2) Subsection 1 applies in respect of the transfer of an immovable that occurs after 17 March 2016.

9. (1) Section 10.2 of the Act is amended

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

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

“The information contained in the notice of disclosure is sent to the Minister of Revenue by the municipality that received the notice.”

(2) Subsection 1 applies in respect of the transfer of an immovable that occurs after 17 March 2016.

10. (1) Section 19 of the Act is amended by inserting the following subparagraph after subparagraph *b* of the first paragraph:

“(b.1) the transfer is made by a transferor that is a legal person to a transferee who is a natural person if,

i. subparagraph *b* does not apply in respect of the transfer,

ii. at a particular time in the period referred to in subparagraph *b*, the transferee acquires ownership of shares of the capital stock of the transferor as a consequence of a death, and

iii. immediately after the particular time, the transferee owns shares of the capital stock of the transferor carrying at least 90% of the voting rights that may be exercised under any circumstances at the annual meeting of shareholders of the transferor;”.

(2) Subsection 1 applies in respect of the transfer of an immovable that occurs after 17 March 2016.

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

11. (1) Section 19 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2) is amended by replacing subparagraph 2.1 of the eleventh paragraph by the following subparagraph:

“(2.1) the aggregate of the investments described in subparagraph 6 of that paragraph, determined without taking the investments made in a social economy enterprise within the meaning of the Social Economy Act (chapter E-1.1.1) into account, may not exceed 10% of the Fund's net assets at the end of the preceding fiscal year;”.

(2) Subsection 1 applies to a fiscal year that begins after 31 May 2016.

MINING TAX ACT

12. (1) Section 1 of the Mining Tax Act (chapter I-0.4) is amended, in the first paragraph,

(1) by replacing paragraph 1 of the definition of “eligible operator” by the following paragraph:

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

(2) by replacing the definition of “Near North” by the following definition:

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

(2) Paragraph 1 of subsection 1 applies to a fiscal year that begins after 30 June 2016.

(3) Paragraph 2 of subsection 1 applies in respect of exploration expenses incurred after 28 March 2017.

13. (1) Section 8.1.1 of the Act is amended by replacing the third paragraph by the following paragraph:

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

(2) Subsection 1 applies to a fiscal year that begins after 30 June 2016.

(3) In addition, subsection 1 applies to a fiscal year that begins before 1 July 2016 if the operator so elects by notifying the Minister of Revenue in writing on or before 31 December 2016.

14. (1) Section 16.9 of the Act is amended by replacing subparagraph *a* of subparagraph 1 of the second paragraph by the following subparagraph:

“(a) subject to sections 16.14 to 16.18, the aggregate of all amounts each of which is expenses incurred by the operator, after 30 March 2010 and before that time, to determine the existence of a mineral substance in Québec, to locate such a substance or to determine the extent or quality of such a substance, including expenses incurred in prospecting, carrying out geological, geophysical or geochemical surveys, drilling and trenching or digging test pits or preliminary

sampling and expenses for environmental studies or community consultations (including, despite subparagraphs i and ii, studies or consultations that are undertaken to obtain a right, licence or privilege to determine the existence of a mineral substance in Québec, to locate such a substance or to determine the extent or quality of such a substance), but not including

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

(2) Subsection 1 applies in respect of expenses incurred after 28 February 2015.

TAXATION ACT

15. (1) Section 1 of the Taxation Act (chapter I-3), amended by section 63 of chapter 1 of the statutes of 2017, is again amended

(1) by striking out “, except for the purposes of Title VI.1 of Book VII,” in the definition of “share”;

(2) by replacing “except for the purposes of Titles VI.1 and VI.2 of Book VII” in the definition of “paid-up capital” by “except for the purposes of Title VI.2 of Book VII”;

(3) by replacing paragraph *b* of the definition of “balance-due day” by the following paragraph:

“(b) where the taxpayer is a trust,

i. in the case where the taxation year of the trust ended immediately before the time at which the trust was subject to a loss restriction event, the day that is

(1) if the particular time at which the taxation year ends occurs in a calendar year and after the end of another taxation year that ended on 15 December of that calendar year because of an election provided for in section 1121.7, 90 days after the end of the other taxation year,

(2) if subparagraph 1 does not apply and the trust’s particular taxation year that begins immediately after the particular time ends in the calendar year that includes the particular time, the balance-due day of the trust for the particular taxation year, and

(3) if subparagraphs 1 and 2 do not apply, 90 days after the end of the calendar year that includes the particular time, and

ii. in any other case, the day that is 90 days after the end of the taxation year;”.

(2) Paragraph 3 of subsection 1 has effect from 21 March 2013.

16. Section 1.3 of the Act is amended by replacing “For the purposes of this Part, except Title VI.1 of Book VII,” by “For the purposes of this Part,”.

17. (1) Section 6.2 of the Act, replaced by section 64 of chapter 1 of the statutes of 2017, is amended, in the first paragraph,

(1) by replacing “fait lié à une restriction de pertes” in the portion before subparagraph *a* in the French text by “fait lié à la restriction de pertes”;

(2) by striking out “subject to subparagraph *c*,” in subparagraphs *a* and *b*;

(3) by striking out subparagraph *c*.

(2) Subsection 1 has effect from 21 March 2013.

18. (1) The Act is amended by inserting the following sections after section 7.18.1:

“7.18.2. For the purposes of Chapters III.1 and III.1.1 of Title I of Book VIII, where a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association holds an interest as a member of a partnership, the member shall not, solely because of its acquisition and holding of that interest, be considered to carry on any business of the partnership if

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

(b) the member deals at arm’s length with each general partner of the partnership; and

(c) the member, or the member together with persons and partnerships with which it does not deal at arm’s length, holds interests in the partnership that have a fair market value of not more than 20% of the fair market value of the interests of all members in the partnership.

“7.18.3. For the purposes of Chapters III.1 and III.1.1 of Title I of Book VIII, each member of a partnership at any time is deemed at that time to own the portion of each property of the partnership equal to the proportion that the fair market value of the member’s interest in the partnership at that time is of the fair market value of the interests of all members in the partnership at that time.”

(2) Subsection 1, where it enacts section 7.18.2 of the Act, applies in respect of an investment in a limited partnership that is made or acquired after 20 April 2015.

(3) Subsection 1, where it enacts section 7.18.3 of the Act, has effect from 21 April 2015.

19. (1) The Act is amended by inserting the following section after section 7.19.1:

“7.19.2. For the purposes of sections 234.1, 428 to 451 and 454 to 462.0.1 and Title VI.5 of Book IV, where at any time a person or a partnership carries on a farming business and a fishing business, a property used at that time principally in a combination of the activities of the farming business and the fishing business is deemed to be used at that time principally in the course of carrying on a farming or fishing business.”

(2) Subsection 1 applies in respect of the disposition or transfer of a property that occurs after 31 December 2013.

20. (1) Section 8 of the Act is amended by replacing “\$6,650” in paragraph *f* by “\$10,222”.

(2) Subsection 1 applies from the taxation year 2017.

21. (1) Section 8.2 of the Act is amended

(1) by replacing “2007” in the portion before the formula in the first paragraph by “2017”;

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

“If the amount that results from the adjustment provided for in the first paragraph is not a multiple of \$1, it must be rounded to the nearest multiple of \$1 or, if it is equidistant from two such multiples, to the higher multiple.”

(2) Subsection 1 applies from the taxation year 2017.

22. (1) Section 21.0.1 of the Act is amended

(1) by replacing the portion of the definition of “majority-interest beneficiary” before paragraph *a* by the following:

““majority-interest beneficiary”, of a trust at any time, means a person whose interest as a beneficiary, if any, at that time;”;

(2) by replacing paragraphs *a* and *b* of the definition of “majority-interest beneficiary” in the French text by the following paragraphs:

“*a*) la juste valeur marchande de l’ensemble de sa participation, le cas échéant, à titre de bénéficiaire au revenu de la fiducie et des participations à titre de bénéficiaire au revenu de la fiducie de toutes les personnes auxquelles elle est affiliée excède 50 % de la juste valeur marchande de l’ensemble des participations à titre de bénéficiaire au revenu de la fiducie;

“*b*) la juste valeur marchande de l’ensemble de sa participation, le cas échéant, à titre de bénéficiaire au capital de la fiducie et des participations à titre de bénéficiaire au capital de la fiducie de toutes les personnes auxquelles elle est affiliée excède 50 % de la juste valeur marchande de l’ensemble des participations à titre de bénéficiaire au capital de la fiducie;”.

(2) Subsection 1 has effect from 21 March 2013.

23. (1) Section 21.0.5 of the Act, enacted by section 72 of chapter 1 of the statutes of 2017, is amended

(1) by replacing the definition of “majority-interest beneficiary” by the following definition:

““majority-interest beneficiary” has the meaning that would be assigned by section 21.0.1 if the definition of that expression in that section were read without reference to “, if any,”;”;

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

““investment fund”, at a particular time, means a trust, if

(*a*) at all times throughout the period that begins at the later of 21 March 2013 and the end of the calendar year in which it is created and that ends at the particular time, the trust has a class of units outstanding that would comply with the conditions prescribed for the purposes of section 1120 if section 1120R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) were read without its paragraph *b*; and

(*b*) at all times throughout the period that begins at the later of 21 March 2013 and the date on which it was created and that ends at the particular time, the trust

i. is resident in Canada,

ii. has no beneficiaries who have, for any reason, the right to receive directly from the trust an amount from the income or capital of the trust, other than beneficiaries whose interests as beneficiaries under the trust are fixed interests described by reference to units of the trust,

iii. follows a reasonable policy of investment diversification,

- iv. limits its undertaking to the investing of its funds in property,
 - v. does not alone, or as a member of a group of persons, control a corporation, and
 - vi. does not hold
 - (1) property that the trust, or a person with which the trust does not deal at arm's length, uses in carrying on a business,
 - (2) immovable or real property, a real right in an immovable property or an interest in real property,
 - (3) Canadian resource property, foreign resource property, or a right or interest in Canadian resource property or foreign resource property, or
 - (4) more than 20% of the securities of any class of securities of a person (other than an investment fund or a mutual fund corporation that would meet the conditions of this paragraph, other than that of subparagraph ii, if it were a trust), unless at the particular time the securities (other than liabilities) of the person held by the trust have a total fair market value that does not exceed 10% of the equity value of the person and, at that time, the liabilities of the person held by the trust have a total fair market value that does not exceed 10% of the value of all of the liabilities of the person;”;
- (3) by inserting the following definition in alphabetical order:
- ““fixed interest”, at a particular time of a person in a trust, means an interest of the person as a beneficiary (determined without reference to section 7.11.1) under the trust provided that no part of the income or capital of the trust to be distributed at any time in respect of any interest in the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, other than a power to appoint in respect of which it is reasonable to conclude that
- (a) the power is consistent with normal commercial practice;
 - (b) the power is consistent with terms that would be acceptable to beneficiaries under the trust that would be dealing with each other at arm's length; and
 - (c) the exercise of, or failure to exercise, the power will not materially affect the value of an interest as a beneficiary under the trust relative to the value of other such interests as a beneficiary under the trust;”.
- (2) Subsection 1 has effect from 21 March 2013. However,

(1) if a trust makes a valid election under paragraph *a* of subsection 6 of section 65 of the Budget Implementation Act, 2016, No. 2 (Statutes of Canada, 2016, chapter 12), subsection 1 has effect only from the first day of the trust's first taxation year 2014;

(2) if a trust makes a valid election under paragraph *b* of subsection 6 of section 65 of the Budget Implementation Act, 2016, No. 2, subsection 1 has effect only from the first day of the trust's first taxation year 2015;

(3) where the definition of "investment fund" in section 21.0.5 of the Act applies in respect of a trust created before 1 January 2016, paragraph *a* of the definition is to be read as if "the end of the calendar year" were replaced by "the date corresponding to the 90th day after the end of the calendar year".

(3) Chapter V.2 of Title II of Book I of Part I of the Act applies in relation to an election referred to in paragraph 1 or 2 of subsection 2. For the purposes of section 21.4.7 of the Act, a trust is deemed to have complied with a requirement of section 21.4.6 of the Act if the trust complies with it on or before 5 June 2018.

24. (1) Section 21.0.7 of the Act, enacted by section 72 of chapter 1 of the statutes of 2017, is amended by adding the following paragraph:

"(f) the acquisition or disposition of equity of the particular trust at a particular time if

- i. the particular trust is an investment fund immediately before that time, and
- ii. the acquisition or disposition is not part of a series of transactions or events that includes the particular trust ceasing to be an investment fund."

(2) Subsection 1 has effect from 21 March 2013. However, if a trust makes a valid election referred to in paragraph 1 or 2 of subsection 2 of section 23, subsection 1 has effect only from the first day of the trust's first taxation year 2014, in the case of an election referred to in that paragraph 1, and only from the first day of the trust's first taxation year 2015, in the case of an election referred to in that paragraph 2.

25. (1) Section 21.0.9 of the Act, enacted by section 72 of chapter 1 of the statutes of 2017, is amended by adding the following paragraph:

"(c) if, at any time as part of a series of transactions or events a person acquires a security (within the meaning assigned by the first paragraph of section 1129.70) and it can reasonably be concluded that one of the reasons for the acquisition, or for making any agreement or undertaking in respect of the acquisition, is to cause a condition in subparagraph v of paragraph *b* of the definition of "investment fund" in section 21.0.5 or in subparagraph 4 of subparagraph vi of that paragraph *b* to be satisfied at a particular time in respect of a trust, the condition is deemed not to be satisfied at the particular time in respect of the trust."

(2) Subsection 1 has effect from 21 March 2013. However, if a trust makes a valid election referred to in paragraph 1 or 2 of subsection 2 of section 23, subsection 1 has effect only from the first day of the trust's first taxation year 2014, in the case of an election referred to in that paragraph 1, and only from the first day of the trust's first taxation year 2015, in the case of an election referred to in that paragraph 2.

26. (1) The Act is amended by inserting the following section after section 21.0.10, enacted by section 72 of chapter 1 of the statutes of 2017:

“21.0.11. Where a trust is subject to a loss restriction event at a particular time, the following rules apply in respect of the trust for its taxation year that ends immediately before that time:

(a) paragraph *d* of subsection 2 of section 1000 is to be read as if “within 90 days after the end of” were replaced by “on or before the trust's balance-due day for”, and the second paragraph of section 1086R57 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is to be read as if “within 90 days following the end of” were replaced by “on or before the trust's balance-due day for”;

(b) the first paragraph of section 1086R77 of the Regulation respecting the Taxation Act is to be read as if “within 90 days after the end of” were replaced by “on or before the reporting person's balance-due day for”;

(c) the first paragraph of section 1120.0.1 is to be read as if “before the 91st day after the end of” were replaced by “that occurs on or before the trust's balance-due day for”.”

(2) Subsection 1 has effect from 21 March 2013. However, if a trust makes a valid election referred to in paragraph 1 or 2 of subsection 2 of section 23, subsection 1 has effect only from the first day of the trust's first taxation year 2014, in the case of an election referred to in that paragraph 1, and only from the first day of the trust's first taxation year 2015, in the case of an election referred to in that paragraph 2.

27. (1) Section 21.1 of the Act, amended by section 73 of chapter 1 of the statutes of 2017, is again amended by replacing the fourth paragraph by the following paragraph:

“Section 21.4.1 applies in respect of the control of a corporation for the purposes of sections 6.2 and 21.0.1 to 21.0.4, paragraph *b* of the definition of “investment fund” in section 21.0.5, paragraph *a* of section 21.0.6, paragraphs *c* and *d* of section 21.0.7, the fifth paragraph of section 21.3.1, sections 83.0.3, 93.4, 222 to 230.0.0.2, 308.1, 384, 384.4, 384.5, 418.26 to 418.30 and 485 to 485.18, paragraph *d* of section 485.42, subparagraph *d* of the third paragraph of section 559, sections 560.1.2, 564.4, 564.4.1, 727 to 737 and 737.18.9.2, subparagraph 2 of subparagraph *i* of subparagraph *b* of the second paragraph of section 771.8.5, subparagraphs *d* to *f* of the first paragraph of section 771.13,

paragraph *f* of section 772.13, sections 776.1.5.6, 776.1.12 and 776.1.13, paragraph *c* of the definition of “qualified corporation” in the first paragraph of sections 1029.8.36.0.3.46 and 1029.8.36.0.3.60, subparagraph *iv* of paragraph *b* of the definition of “specified corporation” in the first paragraph of section 1029.8.36.0.17, subparagraph *b* of the first paragraph of sections 1029.8.36.0.21.2, 1029.8.36.0.22.1 and 1029.8.36.0.25.2, paragraph *d* of the definition of “excluded corporation” in the first paragraph of section 1029.8.36.0.38, paragraph *c* of the definition of “qualified corporation” in the first paragraph of sections 1029.8.36.72.1, 1029.8.36.72.29, 1029.8.36.72.56 and 1029.8.36.72.83 and sections 1029.8.36.166.49, 1029.8.36.166.50, 1029.8.36.171.3 and 1029.8.36.171.4.”

(2) Subsection 1 has effect from 21 March 2013.

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

“The tax payable under section 750 by an individual referred to in the first paragraph is equal to the portion of the tax that the individual would pay, but for this paragraph, under that section on the individual’s taxable income determined under section 24 if the individual were resident in Québec, that is the proportion, which is not to exceed 1, that that income earned in Québec is of the amount by which the aggregate of the amount that would have been the individual’s income, computed without reference to section 1029.8.50, had the individual been resident in Québec on the last day of the taxation year and the amount that the individual included in computing that taxable income under section 726.35 or 726.43, exceeds any amount deducted by the individual under any of sections 726.20.2, 726.28, 726.33, 737.14, 737.16, 737.16.1, 737.18.10, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.25 and 737.28 in computing that taxable income.”

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

29. (1) Section 77 of the Act is replaced by the following section:

“**77.** In computing income for a taxation year from an office or employment, an individual may deduct judicial or extrajudicial expenses paid by the individual in the year to collect, or to establish a right to, an amount owed to the individual that, if received by the individual, would be required by this Title to be included in computing the individual’s income.”

(2) Subsection 1 has effect from 1 January 2016.

30. (1) Section 99 of the Act, amended by section 89 of chapter 1 of the statutes of 2017, is again amended by replacing the portion of paragraph *f* before subparagraph *i* by the following:

“(f) where any part of a self-contained domestic establishment (in this paragraph referred to as the “work space”) in which an individual resides is the principal place of business of the individual or a partnership of which the individual is a member, or is used exclusively for the purpose of earning income from a business and on a regular and continuous basis for meeting clients, customers or patients of the individual or partnership in the course of the business, as the case may be, except a work space that relates to the operation of a private residential home or a tourist accommodation establishment that is a tourist home or bed and breakfast establishment, within the meaning of the regulations made under the Act respecting tourist accommodation establishments (chapter E-14.2), where the individual or partnership holds a classification certificate of the appropriate class to which the tourist accommodation establishment belongs, issued under that Act, the following rules apply:”.

(2) Subsection 1 has effect from 15 April 2016.

31. (1) Section 105.2.1 of the Act is amended by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) where the incorporeal capital property is at that time a qualified farm or fishing property (within the meaning assigned by section 726.6) of the taxpayer, the capital property deemed to have been disposed of by the taxpayer as a consequence of the application of subparagraph *b* is deemed to be a qualified farm or fishing property of the taxpayer at that time.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

32. (1) Section 105.2.2 of the Act is amended by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) where the incorporeal capital property is at that time a qualified farm or fishing property (within the meaning assigned by section 726.6) of the taxpayer, the capital property deemed to have been disposed of by the taxpayer as a consequence of the application of subparagraph *b* is deemed to be a qualified farm or fishing property of the taxpayer at that time.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

33. (1) Section 105.3 of the Act is amended

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

“105.3. For the purposes of Title VI.5 of Book IV and of paragraph *b* of section 28 as it applies for the purposes of that Title, an amount included under paragraph *b* of section 105 in computing a taxpayer’s income for a particular taxation year from a business is deemed to be a taxable capital gain of the taxpayer for the year from the disposition in the year of a qualified farm or fishing property, within the meaning of section 726.6, to the extent of the lesser of”;

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

“iii. 1/2 of the aggregate of all amounts each of which is the taxpayer’s proceeds from a disposition in the particular year or a preceding taxation year that ends after 17 October 2000 of incorporeal capital property in respect of the business that was, at the time of disposition, a qualified farm property, a qualified fishing property or a qualified farm or fishing property of the taxpayer; and”;

(3) by replacing subparagraphs i and ii of subparagraph *b* of the second paragraph by the following subparagraphs:

“i. that portion of an amount deemed under subparagraph ii of paragraph *a* of section 105, as it applied in respect of the business to a fiscal period that begins after 31 December 1987 and ends before 23 February 1994, to be a taxable capital gain of the taxpayer that may reasonably be attributed to a disposition of a property that was, at the time of disposition, a qualified farm property of the taxpayer, or

“ii. an amount deemed under this division to be a taxable capital gain of the taxpayer for a taxation year preceding the particular year from the disposition of a property that was, at the time of disposition, a qualified farm property, a qualified fishing property or a qualified farm or fishing property of the taxpayer.”;

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

“i. an incorporeal capital amount of the taxpayer in respect of the business that is payable or disbursed in relation to a property that was, at the time of disposition, a qualified farm property disposed of by the taxpayer in a preceding taxation year that begins after 31 December 1987 but that ends before 28 February 2000, or”;

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

“i. an incorporeal capital amount of the taxpayer in respect of the business that is payable or disbursed in relation to a property that was, at the time of disposition, a qualified farm property disposed of by the taxpayer in the particular year or a preceding taxation year that ends after 27 February 2000 but before 18 October 2000, or”;

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

“i. an incorporeal capital amount of the taxpayer in respect of the business that is payable or disbursed in relation to a property that was, at the time of disposition, a qualified farm property, a qualified fishing property or a qualified farm or fishing property disposed of by the taxpayer in the particular year or a preceding taxation year that ends after 17 October 2000, or”;

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

“For the purposes of this section, “qualified farm property” and “qualified fishing property” have the meaning assigned by section 726.6, as it read before subparagraphs *a* and *a.0.1* of the first paragraph of that section were struck out.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

34. (1) Section 105.4 of the Act is repealed.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

35. (1) Section 113 of the Act is replaced by the following section:

113. Where a person or a partnership is a shareholder of a corporation, is a person or a partnership that does not deal at arm’s length with, or is affiliated with, a shareholder of a corporation, or is a member of a partnership, or a beneficiary of a trust, that is a shareholder of a corporation and the person or partnership has in a taxation year received a loan from or become indebted to the corporation, any other corporation related to the corporation or a partnership of which the corporation or a corporation related to the corporation is a member, the amount of the loan or indebtedness (other than a pertinent loan or indebtedness) must be included in computing the income for the year of the person or partnership.”

(2) Subsection 1 applies in respect of a loan received or an indebtedness incurred after 28 March 2012.

36. (1) The Act is amended by inserting the following sections after section 113:

“113.1. For the purposes of section 113 and subject to section 127.19, “pertinent loan or indebtedness” means a loan received, or an indebtedness incurred, at any time, by a corporation not resident in Canada (in this section referred to as the “subject corporation”), or by a partnership of which the subject corporation is, at that time, a member, if the loan or indebtedness is an amount owing to a corporation resident in Canada (in this section and sections 113.2 and 113.3 referred to as the “Canadian corporation”) or to a qualifying Canadian partnership in respect of a Canadian corporation and if

(a) section 113 would, in the absence of this section, apply to the amount owing;

(b) the amount becomes owing after 28 March 2012;

(c) at that time, the Canadian corporation is controlled by

i. the subject corporation, or

ii. a corporation not resident in Canada that does not deal at arm’s length with the subject corporation; and

(d) a valid election has been made, in relation to the amount owing, under subparagraph i or ii of paragraph *d* of subsection 2.11 of section 15 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) by

i. where the amount is owing to the Canadian corporation, the Canadian corporation and a corporation not resident in Canada that controls the Canadian corporation, or

ii. where the amount is owing to the qualifying Canadian partnership, all the members of the qualifying Canadian partnership and a corporation not resident in Canada that controls the Canadian corporation.

Chapter V.2 of Title II of Book I applies in relation to an election made under subparagraph i or ii of paragraph *d* of subsection 2.11 of section 15 of the Income Tax Act.

“113.2. Where an election referred to in subparagraph *d* of the first paragraph of section 113.1 is, as a consequence of the application of subsection 2.12 of section 15 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), deemed to have been made on or before the date on which it had to be made, the Canadian corporation that is one of the electors incurs a penalty of \$100 for each month or part of a month during the period beginning on that date and ending on the day on which the election was actually made.

“113.3. For the purposes of this section and section 113.1:

(a) “qualifying Canadian partnership”, at any time, in respect of a Canadian corporation, means a partnership each member of which is, at that time, the Canadian corporation or another corporation resident in Canada to which the Canadian corporation is, at that time, related; and

(b) any person who is (or is deemed under this paragraph to be) a member of a partnership that is a member of a particular partnership is deemed to be a member of the particular partnership.”

(2) Subsection 1 applies in respect of a loan received or an indebtedness incurred after 28 March 2012.

(3) For the purposes of section 21.4.7 of the Act in respect of an election referred to in subparagraph *d* of the first paragraph of section 113.1 of the Act, a taxpayer is deemed to have complied with a requirement of section 21.4.6 of the Act if the taxpayer complies with it on or before 5 June 2018.

37. (1) The Act is amended by inserting the following after section 127.15:

“DIVISION VIII

“DEEMED INTEREST INCOME

“127.16. In this division,

“Canadian corporation” means a corporation resident in Canada;

“qualifying Canadian partnership”, at any time, in respect of a Canadian corporation, means a partnership each member of which is, at that time, the Canadian corporation or another corporation resident in Canada to which the Canadian corporation is, at that time, related.

For the purposes of this division,

(a) either of the following is a pertinent loan or indebtedness:

i. a pertinent loan or indebtedness within the meaning of section 113.1, or

ii. a pertinent loan or indebtedness within the meaning of subsection 11 of section 212.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and

(b) any person who is (or is deemed under this subparagraph to be) a member of a partnership that is a member of a particular partnership is deemed to be a member of the particular partnership.

Where a loan or indebtedness is a pertinent loan or indebtedness within the meaning of subparagraph ii of subparagraph *a* of the second paragraph, Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 11 of section 212.3 of the Income Tax Act in respect of the loan or indebtedness.

“127.17. Where, at any time in a taxation year of a Canadian corporation or in a fiscal period of a qualifying Canadian partnership in respect of a Canadian corporation, a corporation not resident in Canada, or a partnership of which a corporation not resident in Canada is a member, owes an amount to the Canadian corporation or the qualifying Canadian partnership, as the case may be, and the amount owing is a pertinent loan or indebtedness, the following rules apply:

(a) Division VII does not apply in respect of the amount owing; and

(b) subject to section 127.18, the amount, if any, determined by the following formula is to be included in computing the income of the Canadian corporation for the year or of the qualifying Canadian partnership for the fiscal period, as the case may be:

A – B.

In the formula in the first paragraph,

(a) A is the amount that is the greater of

i. the amount of interest that should be included in computing the income of the Canadian corporation for the year or of the qualifying Canadian partnership for the fiscal period, as the case may be, in respect of the amount owing for the period in the year, or the fiscal period, during which the amount owing was a pertinent loan or indebtedness (in this paragraph referred to as the “particular period”) if that interest were computed at the prescribed rate for that period, and

ii. the aggregate of all amounts of interest payable for the particular period by the Canadian corporation, the qualifying Canadian partnership, a particular person resident in Canada with which the Canadian corporation did not, at the time the amount owing arose, deal at arm’s length or a partnership of which the Canadian corporation or the particular person is a member, in respect of a debt obligation—arisen as part of a series of transactions or events that includes the transaction by which the amount owing arose—to the extent that the proceeds of the debt obligation may reasonably be considered to have directly or indirectly funded, in whole or in part, the amount owing; and

(b) B is an amount included in computing the income of the Canadian corporation for the year or of the qualifying Canadian partnership for the fiscal period, as the case may be, as, or in lieu of, full or partial payment of interest on the amount owing for the particular period.

“127.18. No amount is to be included under section 127.17 in computing the income of a Canadian corporation in respect of a pertinent loan or indebtedness, within the meaning of subparagraph ii of subparagraph *a* of the second paragraph of section 127.16, for the 180-day period that begins at any time a parent referred to in section 212.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) acquires control of the Canadian corporation, if the Canadian corporation was not controlled by a corporation not resident in Canada immediately before that time.

“127.19. A particular loan or indebtedness is deemed not to be a pertinent loan or indebtedness if, because of a provision of a tax agreement, the amount that would, but for this section, be included in computing the income of the Canadian corporation for any taxation year or of the qualifying Canadian partnership for any fiscal period, as the case may be, in respect of the particular loan or indebtedness is less than it would be if no tax agreement applied.”

(2) Subsection 1 applies to a taxation year or fiscal period that ends after 28 March 2012. However, where section 127.18 of the Act applies in respect of an acquisition of control of a corporation resident in Canada that occurs before 15 October 2012, it is to be read as follows:

“127.18. No amount is to be included under section 127.17 in computing the income of a Canadian corporation in respect of a pertinent loan or indebtedness, within the meaning of subparagraph ii of subparagraph *a* of the second paragraph of section 127.16, for the period that begins on 29 March 2012 and ends on 13 April 2013, if at any time a parent referred to in section 212.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) acquires control of the Canadian corporation and the Canadian corporation was not controlled by a corporation not resident in Canada immediately before that time.”

(3) For the purposes of section 21.4.7 of the Act in respect of an election referred to in the third paragraph of section 127.16 of the Act, a taxpayer is deemed to have complied with a requirement of section 21.4.6 of the Act if the taxpayer complies with it on or before 5 June 2018.

38. (1) Section 135.2 of the Act is amended by replacing paragraph *d* by the following paragraph:

“(d) an amount it pays during the year as judicial or extrajudicial expenses to recover an amount owing to it for services it provided.”

(2) Subsection 1 has effect from 1 January 2016.

39. (1) Section 142.1 of the Act is amended by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) C is the aggregate of all amounts each of which is an amount determined under any of sections 105, 105.3 and 105.4, as it read before being repealed, for the year or a preceding taxation year and in respect of which a deduction can reasonably be considered to have been claimed by the taxpayer under Title VI.5 of Book IV;”.

(2) Subsection 1 has effect from 1 January 2014.

40. Section 155 of the Act is replaced by the following section:

“**155.** A taxpayer may deduct any amount the taxpayer pays as expenses incurred in making any representation relating to a business carried on by the taxpayer or to obtain a license, permit, franchise or trademark relating to that business if such representation is made

(a) to the government of a country, province or state or to a municipal or public body performing a function of government in Canada; or

(b) to a mandatary of a government or body mentioned in paragraph *a*, if such a mandatary is authorized by law to make rules or regulations relating to the business carried on by the taxpayer.”

41. (1) The heading of Division VIII.5 of Chapter III of Title III of Book III of Part I of the Act is replaced by the following heading:

“ADDITIONAL DEDUCTION FOR TRANSPORTATION COSTS
INCURRED BY REMOTE SMALL AND MEDIUM-SIZED
BUSINESSES”.

(2) Subsection 1 applies to a taxation year that begins after 28 March 2017.

42. (1) Section 156.11 of the Act is amended

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

““cost of capital” of a qualified corporation for a taxation year means the amount determined in respect of the corporation for the year under the definition of “cost of capital” in section 5202 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);”;

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

““cost of labour” of a qualified corporation for a taxation year means the amount determined in respect of the corporation for the year under the definition of “cost of labour” in section 5202 of the Income Tax Regulations made under the Income Tax Act;”;

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

““qualified corporation” for a taxation year means a Canadian-controlled private corporation more than 50% of the cost of labour or cost of capital of which for the taxation year is attributable to a business that it operates in a special remote area;”;

(4) by replacing the portion of the definition of “additional deduction rate” before paragraph *a* by the following:

““additional deduction rate” that applies to a qualified corporation or a manufacturing corporation for a taxation year means, in the case of a qualified corporation for the year, 10% and, in the case of a manufacturing corporation for the year, subject to sections 156.12 and 156.13;”;

(5) by replacing paragraph *d* of the definition of “additional deduction rate” by the following paragraph:

“(d) 10%, if the major portion of the corporation’s cost of manufacturing and processing capital for the year is attributable to property it uses in the special remote area;”.

(2) Subsection 1 applies to a taxation year that begins after 28 March 2017.

43. (1) Section 156.14 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the amount obtained by multiplying its gross revenue for the year by the additional deduction rate applicable to it for the year, if 10% is the additional deduction rate that would be applicable to it for the year in the absence of section 156.13; or”.

(2) Subsection 1 applies to a taxation year that begins after 28 March 2017.

44. (1) The Act is amended by inserting the following section after section 156.14.1:

“**156.14.2.** Subject to section 156.15, a qualified corporation for a taxation year that does not deduct any amount under section 156.14 for the year may deduct, in computing its income from a business for the year, an amount equal to the amount obtained by multiplying its gross revenue for the year by the additional deduction rate applicable to it for the year.”

(2) Subsection 1 applies to a taxation year that begins after 28 March 2017.

45. (1) Section 156.15 of the Act is amended

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

“156.15. Despite sections 156.14 and 156.14.2, the amount of the deduction to which a corporation is entitled under each of those sections is equal, for a taxation year that ends in a calendar year, to the amount by which the amount of the deduction, determined without reference to this section, exceeds the amount determined by the formula”;

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

“(a) A is the amount of the deduction to which the corporation is entitled for the taxation year under section 156.14 or 156.14.2, as the case may be, determined without reference to this section; and”.

(2) Subsection 1 applies to a taxation year that begins after 28 March 2017.

46. (1) Section 171 of the Act is amended by replacing the second paragraph by the following paragraph:

“However, the outstanding debts referred to in sections 169 and 170 do not include an amount outstanding at the particular time in relation to a debt or other obligation that is

(a) an obligation to pay an amount to

i. an insurance corporation not resident in Canada to the extent that the amount outstanding was, for the insurance corporation’s taxation year that included the particular time, designated insurance property in relation to an insurance business carried on in Canada through an establishment, or

ii. an authorized foreign bank, if the bank uses or holds the amount outstanding at the particular time in its Canadian banking business; or

(b) a debt obligation described in subparagraph ii of subparagraph *a* of the second paragraph of section 127.17, to the extent that the proceeds of the debt obligation can reasonably be considered to directly or indirectly fund at the particular time, in whole or in part, a pertinent loan or indebtedness (as defined in subparagraph ii of subparagraph *a* of the second paragraph of section 127.16) owing to the corporation or another corporation resident in Canada that does not, at the particular time, deal at arm’s length with the corporation.”

(2) Subsection 1 applies to a taxation year that ends after 28 March 2012, unless a valid election has been made by a taxpayer under subsection 3 of section 49 of the Jobs and Growth Act, 2012 (Statutes of Canada, 2012, chapter 31), in which case it applies to a taxation year that ends after 13 August 2012.

(3) Chapter V.2 of Title II of Book I of Part I of the Taxation Act (chapter I-3) applies in relation to an election made under subsection 3 of section 49 of the Jobs and Growth Act, 2012. However, for the application of section 21.4.7 of the Taxation Act to such an election, a taxpayer is deemed to have complied with a requirement of section 21.4.6 of the Act if the taxpayer complies with it on or before 5 June 2018.

47. (1) Section 172 of the Act is amended, in the first paragraph,

(1) by replacing “174” in the portion before subparagraph *a* by “174.0.1”;

(2) by inserting the following subparagraphs after subparagraph *b.5*:

“(b.5.1) “specified right”, at any time in respect of a property, means a right to, at that time, hypothecate, mortgage, assign, pledge or in any way encumber the property to secure payment of an obligation—other than a particular debt or other particular obligation described in paragraph *a* of section 174 or a debt or other obligation described in subparagraph ii of paragraph *d* of that section—or to use, invest, sell or otherwise dispose of the property unless it is established by the taxpayer that all of the proceeds (net of costs) received, or that would be received, from exercising the right must first be applied to reduce an amount described in subparagraph i or ii of paragraph *d* of section 174;

“(b.5.2) “security interest”, in respect of a property, means a right or an interest in the property that secures payment of an obligation;”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2014.

48. (1) Section 174 of the Act is replaced by the following section:

“**174.** For the purposes of sections 169 to 172, the rules set out in section 174.0.1 apply at any time in respect of a taxpayer if at that time

(a) the taxpayer has a particular amount outstanding as or on account of a particular debt or other particular obligation to pay an amount to a person (in this section and section 174.0.1 referred to as the “intermediary”);

(b) the intermediary is neither

i. a person resident in Canada with whom the taxpayer does not deal at arm’s length, nor

ii. a person that is, in respect of the taxpayer, a specified person not resident in Canada;

(c) the intermediary or a person that does not deal at arm's length with the intermediary

i. has an amount outstanding as or on account of a debt or other obligation to pay an amount to a particular person that is, in respect of the taxpayer, a specified person not resident in Canada (the debt or other obligation referred to in this section and section 174.0.1 as the "intermediary debt") that meets either of the following conditions:

(1) recourse in respect of the debt or other obligation is limited in whole or in part, either immediately or in the future and either absolutely or contingently, to the particular debt or other particular obligation, or

(2) it can reasonably be concluded that all or a portion of the particular amount became owing, or was permitted to remain owing, because all or a portion of the debt or other obligation was entered into or was permitted to remain outstanding, or the intermediary anticipated that all or a portion of the debt or other obligation would become owing or remain outstanding, or

ii. has a specified right in respect of a particular property that was granted directly or indirectly by a particular person that is, in respect of the taxpayer, a specified person not resident in Canada and the existence of the specified right is required under the terms and conditions of the particular debt or other particular obligation, or it can reasonably be concluded that all or a portion of the particular amount became owing, or was permitted to remain owing, because

(1) the specified right was granted, or

(2) the intermediary anticipated that the specified right would be granted; and

(d) the aggregate of all amounts—each of which is, in respect of the particular debt or other particular obligation, an amount outstanding as or on account of an intermediary debt or the fair market value of a particular property described in subparagraph ii of paragraph c—is equal to at least 25% of the total of

i. the particular amount, and

ii. the aggregate of all amounts each of which is an amount (other than the particular amount) that the taxpayer, or a person that does not deal at arm's length with the taxpayer, has outstanding as or on account of a debt or other obligation to pay an amount to the intermediary under the agreement, or an agreement that is connected to the agreement, under which the debt or other obligation was entered into if

(1) the intermediary is granted a security interest in respect of a property that is the intermediary debt or the particular property, as the case may be, and

the security interest secures the payment of two or more debts or other obligations that include the debt or other obligation and the particular debt or other particular obligation, and

(2) each security interest that secures the payment of a debt or other obligation referred to in subparagraph 1 secures the payment of every debt or other obligation referred to in that subparagraph.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2014.

49. (1) The Act is amended by inserting the following section after section 174:

“174.0.1. The rules to which section 174 refers in respect of a taxpayer at any time are as follows:

(a) the portion of the particular amount, at that time, referred to in paragraph *a* of section 174 that is equal to the lesser of the following amounts is deemed to be an amount outstanding as or on account of a debt or other obligation to pay an amount to the particular person referred to in subparagraph i or ii of paragraph *c* of section 174 and not to the intermediary:

i. the amount outstanding as or on account of the intermediary debt or the fair market value of the particular property referred to in subparagraph ii of paragraph *c* of section 174, as the case may be, and

ii. the proportion of the particular amount that the amount outstanding or the fair market value, as the case may be, is of the aggregate of all amounts each of which is

(1) an amount outstanding as or on account of an intermediary debt in respect of the particular debt or other particular obligation, owed to the particular person or any other person that is, in respect of the taxpayer, a specified person not resident in Canada, or

(2) the fair market value of a particular property referred to in subparagraph ii of paragraph *c* of section 174 in respect of the particular debt or other particular obligation, and

(b) the portion of the interest paid or payable by the taxpayer, in respect of a period throughout which subparagraph *a* applies, on the particular debt or other particular obligation referred to in paragraph *a* of section 174 that is equal to the amount determined by the following formula is deemed to be paid or payable by the taxpayer to the particular person, and not to the intermediary, as interest for the period on the amount deemed under subparagraph *a* to be outstanding to the particular person:

$$A \times B/C.$$

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

(a) A is the interest paid or payable;

(b) B is the average of all amounts each of which is an amount that is deemed under subparagraph *a* of the first paragraph to be outstanding to the particular person at a time during the period; and

(c) C is the average of all amounts each of which is the particular amount outstanding at a time during the period.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2014.

50. (1) Section 174.1 of the Act is amended by replacing “174” in the portion before paragraph *a* by “174.0.1”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2014.

51. (1) Section 175.5 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) an expenditure, other than an expenditure of a capital nature, made by the individual or partnership, that may reasonably be considered to relate to both the work space in connection with the operation of a tourist accommodation establishment that is a tourist home or bed and breakfast establishment, within the meaning of the regulations made under the Act respecting tourist accommodation establishments (chapter E-14.2), and the part of the establishment, other than the work space, is deemed to be an expenditure relating solely to the work space if the individual or partnership holds a classification certificate of the appropriate class to which the tourist accommodation establishment belongs, issued under that Act;”.

(2) Subsection 1 has effect from 15 April 2016.

52. (1) Section 231.2 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) a deemed disposition by reason of the application of Division III of Chapter III of Title VII and the property is

i. a property referred to in paragraph *a* or *b*, and

ii. the subject of a gift to which section 752.0.10.10.0.1 applies and that is made by the taxpayer’s succession to a qualified donee that, in the case of a property referred to in paragraph *b*, is not a private foundation; or”.

(2) Subsection 1 applies from the taxation year 2016.

53. Section 231.5 of the Act is repealed.

54. (1) Section 232 of the Act is amended

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

“However, the disposition of depreciable property does not give rise to a capital loss and the following dispositions do not give rise to a capital gain:

(a) the disposition of a cultural property described in the third paragraph, the disposition of the bare ownership of such property made in the course of a recognized gift with reserve of usufruct or use or the disposition of a musical instrument resulting from a gift described in paragraph *e* of section 710 or in the definition of “total musical instrument gifts” in the first paragraph of section 752.0.10.1; or

(b) a deemed disposition, by reason of the application of Division III of Chapter III of Title VII, of a property referred to in subparagraph *a* of a taxpayer, where the property is the subject of a gift in respect of which section 752.0.10.10.0.1 applies and that gift is made by the taxpayer’s succession to a donee that would be one of the following donees if the disposition were made at the time the succession makes the gift:

i. an institution or a public authority referred to in subparagraph *a* of the third paragraph,

ii. a certified archival centre,

iii. a recognized museum, or

iv. an entity referred to in any of paragraphs *a* to *e* of the definition of “total musical instrument gifts” in the first paragraph of section 752.0.10.1.”;

(2) by replacing “the second paragraph” in the portion of the third paragraph before subparagraph *a* by “subparagraph *a* of the second paragraph”;

(3) by striking out the fourth paragraph.

(2) Subsection 1 applies from the taxation year 2016.

55. (1) Section 234.1 of the Act is amended, in paragraph *c*,

(1) by replacing subparagraph ii by the following subparagraph:

“ii. a share of the capital stock of a family farm or fishing corporation of the taxpayer, within the meaning of subparagraph *a.2* of the first paragraph of section 451, or an interest in a family farm or fishing partnership of the taxpayer, within the meaning of subparagraph *h* of that paragraph, or”;

(2) by striking out subparagraph iv.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

56. (1) Section 254.1.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

“254.1.1. For the purposes of section 254 and Divisions II to IV, other than section 259, if an individual encumbers a property that is the individual’s principal residence or a qualified farm or fishing property within the meaning of section 726.6 with a real servitude, the following rules apply:”.

(2) Subsection 1 applies in respect of a real servitude established after 31 December 2013.

57. Section 310 of the Act is amended by striking out “965.20,”.

58. (1) Section 312 of the Act is amended by replacing paragraph *f.1* by the following paragraph:

“(f.1) an amount received as an award or reimbursement in respect of judicial or extrajudicial expenses, other than those relating to a partition or settlement of property arising out of, or on a breakdown of, a marriage, paid to collect or establish a right to a retiring allowance or a benefit under a pension plan, other than a benefit under the Act respecting the Québec Pension Plan (chapter R-9) or a similar plan, within the meaning of that Act, in respect of employment;”.

(2) Subsection 1 has effect from 1 January 2016.

59. (1) Section 336 of the Act is amended by replacing “legal costs or professional fees” in subparagraphs *i* and *ii* of paragraph *e.1* by “judicial or extrajudicial expenses”.

(2) Subsection 1 has effect from 1 January 2016.

60. (1) Section 336.0.5 of the Act is amended

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

“336.0.5. A taxpayer may, in computing income for a taxation year, deduct any amount paid by the taxpayer as judicial or extrajudicial expenses incurred for any of the following purposes, to the extent that the taxpayer has not been reimbursed, is not entitled to be reimbursed, and did not deduct the amount in computing income for a preceding taxation year:”;

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

“The first paragraph applies only if the judicial or extrajudicial expenses referred to in that paragraph were incurred by the taxpayer or, where the taxpayer is required to pay such expenses under an order of a competent court, by the taxpayer’s spouse or former spouse or by the father or mother of the taxpayer’s child.”

(2) Subsection 1 has effect from 1 January 2016.

61. (1) Section 350.2 of the Act is amended by replacing “\$8.25” in subparagraphs 1 and 2 of subparagraph ii of subparagraph *b* of the first paragraph by “\$11.00”.

(2) Subsection 1 applies from the taxation year 2016.

62. (1) Section 395 of the Act is amended

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

“(a) any expense incurred by the taxpayer (other than an expense incurred in drilling or completing an oil or gas well or in building a temporary access road to, or preparing a site in respect of, any such well) for the purpose of determining the existence, location, extent or quality of an accumulation of petroleum or natural gas (other than a mineral resource) in Canada, including

i. a geological, geophysical or geochemical expense, or

ii. an expense for environmental studies or community consultations (including studies or consultations that are undertaken to obtain a right, licence or privilege for the purpose of determining the existence, location, extent or quality of an accumulation of petroleum or natural gas in Canada);”;

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

“(c) any expense incurred by the taxpayer (other than an expense incurred in drilling or completing an oil or gas well or in building a temporary access road to, or preparing a site in respect of, any such well) for the purpose of determining the existence, location, extent or quality of a mineral resource in Canada including any expense incurred in the course of prospecting, carrying out geological, geophysical or geochemical surveys, drilling and trenching or digging test pits or preliminary sampling and any expense for environmental studies or community consultations (including, despite subparagraph i, studies or consultations that are undertaken to obtain a right, licence or privilege for the purpose of determining the existence, location, extent or quality of such a mineral resource), but not including

i. any Canadian development expense, and

ii. any expense that may reasonably be related to a mine in the mineral resource that has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine;”.

(2) Subsection 1 applies in respect of expenses incurred after 28 February 2015.

63. (1) Section 422 of the Act is amended by striking out “*inter vivos*” in subparagraph ii of paragraph c.

(2) Subsection 1 applies from the taxation year 2016.

64. (1) Section 444 of the Act is amended

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

“i. a share of the capital stock of a family farm or fishing corporation of the individual or an interest in a family farm or fishing partnership of the individual, or”;

(2) by replacing “fishing or farming” in subparagraph ii of subparagraph a of the first paragraph by “farming or fishing”;

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

“(2) if the property is land, other than land to which subparagraph 1 applies, or a share of the capital stock of a family farm or fishing corporation of the individual, the adjusted cost base of the property to the individual immediately before the time of the disposition of the property;”;

(4) by replacing the portion of subparagraph iii of subparagraph a of the second paragraph before subparagraph 1 by the following:

“iii. if the property is, immediately before the individual’s death, an interest in a family farm or fishing partnership of the individual, other than an interest to which section 636 applies, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2014.

65. (1) Section 450 of the Act is amended

(1) by replacing “fishing or farming” in subparagraph i of subparagraph c of the first paragraph by “farming or fishing”;

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

“ii. a share of the capital stock of a Canadian corporation that would, immediately before the beneficiary’s death, be a share of the capital stock of a family farm or fishing corporation of the settlor, if the settlor owned the share at that time and subparagraph i of subparagraph *a.2* of the first paragraph of section 451 were read without reference to “in which the individual or the spouse, a child or the father or mother of the individual was actively engaged on a regular and continuous basis (or, in the case of property used in the operation of a woodlot, was engaged to the extent required by a prescribed forest management plan in respect of that woodlot)”, or”;

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

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

“iv. an interest in a partnership that carried on in Canada a farming or fishing business in which it used all or substantially all of the property;”;

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

“(d) in the case of a property referred to in subparagraph ii or iv of subparagraph *c*, the property, or a property for which the property was substituted, transferred to the trust by the settlor was, immediately before the transfer, a share of the capital stock of a family farm or fishing corporation of the settlor or an interest in a family farm or fishing partnership of the settlor;”;

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

“(2) if the property is land, other than land to which subparagraph 1 applies, or, immediately before the beneficiary’s death, a share referred to in subparagraph ii of subparagraph *c* of the first paragraph, the adjusted cost base of the property to the trust immediately before the time of the disposition of the property;”;

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

“iii. if the property is described in subparagraph ii or iv of subparagraph *c* of the first paragraph, section 422 does not apply to the trust and the child in respect of the transfer of the property and section 653 does not apply to the trust in respect of the property;”.

(2) Subsection 1 has effect from 1 January 2014.

66. (1) Section 450.5 of the Act is amended by replacing subparagraphs ii and iii of subparagraph *b* of the first paragraph by the following subparagraphs:

“ii. in the case of the individual referred to in section 444, the property is land, other than land to which subparagraph i applies, a share of the capital stock of a family farm or fishing corporation or an interest in a family farm or fishing partnership, the adjusted cost base of the property to the individual immediately before the time of the disposition of the property, or

“iii. in the case of the trust referred to in section 450, the property is land, other than land to which subparagraph i applies, a share referred to in subparagraph ii of subparagraph *c* of the first paragraph of that section, or an interest in a partnership described in subparagraph iv of subparagraph *c* of the first paragraph of that section, the adjusted cost base of the property to the trust immediately before the time of the disposition of the property.”

(2) Subsection 1 has effect from 1 January 2014.

67. (1) Section 450.9 of the Act is replaced by the following section:

“**450.9.** For the purposes of section 105, paragraph *b* of section 130, sections 444 and 459 and subparagraph iv of subparagraph *a.0.2* of the first paragraph of section 726.6, a property of an individual is, at a particular time, deemed to be used by the individual in a farming or fishing business carried on in Canada if, at that particular time, the property is being used, principally in the course of carrying on a farming or fishing business in Canada, by

(*a*) a corporation, a share of the capital stock of which is a share of the capital stock of a family farm or fishing corporation of the individual or of the spouse, a child or the father or mother of the individual; or

(*b*) a partnership, a partnership interest in which is an interest in a family farm or fishing partnership of the individual or of the spouse, a child or the father or mother of the individual.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

68. (1) Section 451 of the Act is amended

(1) by striking out subparagraphs *a* and *a.1* of the first paragraph;

(2) by inserting the following subparagraph after subparagraph *a.1* of the first paragraph:

“(a.2) “share of the capital stock of a family farm or fishing corporation”, of an individual at any time, means a share of the capital stock of a corporation owned by the individual at that time if, at that time, all or substantially all of the fair market value of the property owned by the corporation was attributable to

i. property that has been used principally in the course of carrying on a farming or fishing business in Canada in which the individual or the spouse, a child or the father or mother of the individual was actively engaged on a regular and continuous basis (or, in the case of property used in the operation of a woodlot, was engaged to the extent required by a prescribed forest management plan in respect of that woodlot), by

(1) the corporation or any other corporation, a share of the capital stock of which was a share of the capital stock of a family farm or fishing corporation of the individual or of the spouse, a child or the father or mother of the individual,

(2) a corporation controlled by a corporation described in subparagraph 1,

(3) the individual,

(4) the spouse, a child or the father or mother of the individual, or

(5) a partnership, a partnership interest in which was an interest in a family farm or fishing partnership of the individual or of the spouse, a child or the father or mother of the individual,

ii. shares of the capital stock or indebtedness of one or more corporations of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv,

iii. partnership interests in or indebtedness of one or more partnerships of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv, or

iv. property described in any of subparagraphs i to iii;”;

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

“(d) “child” of a taxpayer includes

i. a grandchild or a great grandchild of the taxpayer,

ii. a person who was a child of the taxpayer immediately before the death of the person’s spouse, and

iii. a person who, at any time before attaining the age of 19 years, was wholly dependent on the taxpayer for support and of whom the taxpayer had, at that time, in law or in fact, the custody and control;”;

(4) by striking out subparagraphs *f* and *g* of the first paragraph;

(5) by adding the following subparagraph after subparagraph *g* of the first paragraph:

“(h) “interest in a family farm or fishing partnership”, of an individual at any time, means a partnership interest owned by the individual at that time if, at that time, all or substantially all of the fair market value of the property of the partnership was attributable to

i. property that has been used principally in the course of carrying on a farming or fishing business in Canada in which the individual or the spouse, a child or the father or mother of the individual was actively engaged on a regular and continuous basis (or, in the case of property used in the operation of a woodlot, was engaged to the extent required by a prescribed forest management plan in respect of that woodlot), by the partnership or by

(1) the individual,

(2) the spouse, a child or the father or mother of the individual,

(3) a corporation, a share of the capital stock of which was a share of the capital stock of a family farm or fishing corporation of the individual or of the spouse, a child or the father or mother of the individual, or

(4) a partnership, a partnership interest in which was an interest in a family farm or fishing partnership of the individual or of the spouse, a child or the father or mother of the individual,

ii. shares of the capital stock or indebtedness of one or more corporations of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv,

iii. partnership interests in or indebtedness of one or more partnerships of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv, or

iv. property described in any of subparagraphs i to iii.”;

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

“For the purposes of subparagraph *a.2* of the first paragraph, the fair market value of a net income stabilization account or of a farm income stabilization account is deemed to be nil.”

(2) Subsection 1 has effect from 1 January 2014.

69. (1) Section 459 of the Act is amended

(1) by replacing both occurrences of “fishing or farming” in paragraph *a* by “farming or fishing”;

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

“(b) the property was, immediately before the transfer, a share of the capital stock of a family farm or fishing corporation of the individual or an interest in a family farm or fishing partnership of the individual.”

(2) Subsection 1 applies in respect of a transfer that occurs after 31 December 2013.

70. (1) Section 460 of the Act is amended

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

“(2) land, a share of the capital stock of a family farm or fishing corporation of the individual or an interest in a family farm or fishing partnership of the individual, the adjusted cost base of the property to the individual immediately before the time of the transfer, or”;

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

“(c) if, immediately before the transfer, the property was an interest in a family farm or fishing partnership of the individual and the individual receives no consideration in respect of the transfer of the property and makes a valid election under paragraph *c* of subsection 4.1 of section 73 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), in the individual’s fiscal return filed under Part I of that Act for the taxation year that includes the time of the transfer, to have that paragraph *c* apply in respect of the transfer of the property, the individual is deemed, except for the purposes of section 632, not to have disposed of the property at the time of the transfer; and”.

(2) Subsection 1 applies in respect of a transfer that occurs after 31 December 2013.

71. (1) Section 462 of the Act is amended, in the first paragraph,

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

“(b) subject to subparagraph *e*, if the property is a depreciable property of a prescribed class of the individual, land, a share of the capital stock of a family farm or fishing corporation of the individual or an interest in a family farm or fishing partnership of the individual, the child is deemed to have acquired the property at a cost equal to the individual’s proceeds of disposition of the property, as determined under paragraphs *a* and *b* of section 460 and section 461;”;

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

“(e) if the property was, immediately before the transfer, an interest in a family farm or fishing partnership of the individual, other than an interest to which section 636 applies, and the individual receives no consideration in respect of the transfer of the property and makes the election referred to in paragraph *c* of section 460 in respect of the transfer of the property, the following rules apply:”.

(2) Subsection 1 applies in respect of a transfer that occurs after 31 December 2013.

72. (1) Section 485.41 of the Act is replaced by the following section:

“**485.41.** Where, as a consequence of the disposition at any time by an individual or a partnership of a property that is a qualified farm or fishing property of the individual, within the meaning assigned by section 726.6, a qualified small business corporation share of the individual, within the meaning assigned by section 726.6.1, or a resource property of the individual or partnership, within the meaning assigned by section 726.20.1, the individual or partnership is deemed by section 485.35 to have a capital gain at that time from the disposition of another property, for the purposes of sections 28, 462.7 to 462.10 and 727 to 737, as they apply for the purposes of sections 726.6 to 726.20.4, the other property is deemed to be a qualified farm or fishing property or a qualified small business corporation share, as the case may be, of the individual, or a resource property of the individual or partnership, as the case may be.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

73. Section 490 of the Act is replaced by the following section:

“**490.** Paragraph *d* of section 489 applies only in the case of a public utility, if such public utility or the property described in that paragraph has been disposed of to a person resident in such other country and if the obligation received by the corporation has been issued or guaranteed by the government of that other country or any mandatary of such government.”

74. (1) Section 517.5.3 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended, in the first paragraph,

(1) by replacing the definition of “eligible primary and manufacturing sectors share” by the following definition:

““eligible share” means

(a) a share of the capital stock of a family farm or fishing corporation, within the meaning of the first paragraph of section 726.6.1; or

(b) a qualified small business corporation share, within the meaning of the first paragraph of section 726.6.1.”;

(2) by striking out the definition of “primary and manufacturing sectors corporation”;

(3) by replacing the definition of “eligible business transfer” by the following definition:

““eligible business transfer” of an individual means a series of transactions that includes the disposition of eligible shares of the individual in circumstances described in section 517.1, if the conditions of sections 517.5.6 to 517.5.11 are satisfied in respect of the series of transactions;”.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

75. (1) Section 517.5.4 of the Act is repealed.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

76. (1) Section 517.5.5 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is replaced by the following section:

“517.5.5. Where eligible shares of an individual, other than a trust, are disposed of in connection with an eligible business transfer of the individual and, but for this section, a dividend equal to the excess amount that corresponds to the amount by which the aggregate determined under section 517.3 exceeds the aggregate determined under section 517.3.1 would, under section 517.2, be deemed to have been paid by the purchaser corporation to the individual, and received by the individual from the purchaser corporation, at the time of the disposition of those shares, the following rules apply:

(a) the lesser of the amount of that excess amount and the amount determined in respect of the disposition of those shares under paragraph *b* of subsection 1 of section 84.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) (in this section referred to as the “deemed dividend amount”) is deemed to be a capital gain from the disposition of those shares, to the extent of the amount the individual designates to that effect in the individual’s fiscal return filed under this Part (in this section referred to as the “designated capital gain”) for the year of disposition, without, however, exceeding the amount (in this section referred to as the “particular amount”) determined in accordance with the second paragraph, and, despite any other provision of this Act,

i. for the purposes of section 234, where a reserve is claimed in accordance with subparagraph *b* of the first paragraph of that section in respect of the portion of the proceeds of disposition of the shares that is payable after the end of the year of disposition, the gain from the disposition of those shares is deemed to be equal to the amount by which the designated capital gain exceeds the amount of the reserve (which excess amount is in this subparagraph and subparagraphs ii and iii referred to as the “reduced capital gain”) and, for the purpose of determining the reserve that the individual may claim in respect of the disposition of the shares, subparagraph *b* of the first paragraph of section 234 is to be read without reference to its subparagraph iii,

ii. for the purpose of determining the tax payable under this Part by the individual for the year of disposition,

(1) section 28 is to be read, in respect of the designated capital gain or reduced capital gain, as the case may be, without reference to subparagraph ii of its paragraph *b* and, in respect of the amount the individual may subtract in accordance with its paragraph *c*, as if the designated capital gain or reduced capital gain were not taken into account for the purposes of subparagraph i of its paragraph *b*,

(2) an amount is deductible by the individual under Book IV, except Title VI.5, only to the extent that the individual’s income, determined in accordance with subparagraph 1, exceeds one-half of the amount of the designated capital gain or reduced capital gain, as the case may be,

(3) an amount is deductible by the individual under Title VI.5 of Book IV, in respect of a capital gain other than the designated capital gain or reduced capital gain, as the case may be, only to the extent that the individual’s taxable income, determined otherwise and taking subparagraphs 1 and 2 into account, exceeds one-half of the amount of the designated capital gain or reduced capital gain, and

(4) an amount is deductible by the individual under section 729 only to the extent that the excess amount referred to in paragraph *b* of section 28 that would be determined for the year, in respect of the individual, if the amount of the designated capital gain or reduced capital gain, as the case may be, were not taken into account, and

iii. the amount determined under paragraph *b* of section 28, to which paragraph *b* of section 728.0.1 refers for the purpose of determining the individual’s non-capital loss or farm loss for the year of disposition, and the amount determined under subparagraph i of paragraph *b* of section 28, to which paragraph *a* of section 730 refers for the purpose of determining the individual’s net capital loss for the year of disposition, are computed without taking the amount of the designated capital gain or reduced capital gain, as the case may be, into account; and

(b) the amount of the designated capital gain in respect of the disposition of those shares is deemed not to be a dividend paid by the purchaser corporation and received by the individual at the time of the disposition of those shares.

The particular amount to which the first paragraph refers is equal to twice the least of the amounts that would be determined in respect of the individual for the year under paragraphs *a* to *d* of section 726.7 or 726.7.1, as the case may be, if the deemed dividend amount were a capital gain realized by the individual in the year from the disposition of shares of the capital stock of a family farm or fishing corporation or of eligible small business corporation shares, as the case may be, and if subparagraph 1 of subparagraph ii of subparagraph *a* of the first paragraph were not taken into account.”

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

77. (1) Section 517.5.6 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended by replacing the first paragraph by the following paragraph:

“A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may be considered to be an eligible business transfer of the individual only if the individual or the individual’s spouse was, while the individual owned those shares and during the 24-month period that immediately preceded the disposition of the shares, actively engaged in a business carried on by the particular corporation or by a corporation in which the particular corporation had a substantial interest.”

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

78. (1) Section 517.5.7 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

“**517.5.7.** A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may not be considered to be an eligible business transfer of the individual where, after the disposition of the shares, the individual or the individual’s spouse is actively engaged in a qualified business carried on by the purchaser corporation, by the particular corporation or by a corporation in which the particular corporation has a substantial interest, unless”.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

79. (1) Section 517.5.8 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended by replacing the portion before paragraph *a* by the following:

“517.5.8. A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may not be considered to be an eligible business transfer of the individual where, in the period that begins 30 days after the disposition of the shares and ends at the end of that series of transactions, the individual or the individual’s spouse controls the particular corporation or a corporation in which the particular corporation had, immediately before the disposition of those shares, a substantial interest or is a member of a group of persons that controls such a corporation, unless the corporation is”.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

80. (1) Section 517.5.9 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended by replacing the portion before paragraph *a* by the following:

“517.5.9. A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may not be considered to be an eligible business transfer of the individual where, in the period that begins 30 days after the disposition of the shares and ends at the end of that series of transactions, the individual or the individual’s spouse holds, directly or indirectly, common shares of the capital stock of the particular corporation or of a corporation in which the particular corporation had, immediately before the disposition of those shares, a substantial interest, unless they are common shares of the capital stock of such a corporation that is”.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

81. (1) Section 517.5.10 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended, in the first paragraph,

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

“517.5.10. A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may be considered to be an eligible business transfer of the individual only if”;

(2) by replacing subparagraphs i and ii of subparagraph *a* by the following subparagraphs:

“i. where the particular corporation is referred to in paragraph *a* of the definition of “eligible share” in the first paragraph of section 517.5.3, 80% of the aggregate of all amounts each of which is the fair market value, immediately before the beginning of the series of transactions, of a share of the capital stock of a corporation (in this section referred to as the “corporation concerned”) that is the particular corporation, the purchaser corporation or a corporation in which the particular corporation has a substantial interest at that time, or

“ii. where the particular corporation is referred to in paragraph *b* of the definition of “eligible share” in the first paragraph of section 517.5.3, 60% of the aggregate of all amounts each of which is the fair market value, immediately before the beginning of the series of transactions, of a share of the capital stock of a corporation concerned;”;

(3) by replacing subparagraphs i and ii of subparagraph *b* by the following subparagraphs:

“i. where the particular corporation is referred to in paragraph *a* of the definition of “eligible share” in the first paragraph of section 517.5.3, 50% of the aggregate of all amounts each of which is the fair market value, immediately before the beginning of the series of transactions, of a share of the capital stock of a corporation concerned, or

“ii. where the particular corporation is referred to in paragraph *b* of the definition of “eligible share” in the first paragraph of section 517.5.3, 30% of the aggregate of all amounts each of which is the fair market value, immediately before the beginning of the series of transactions, of a share of the capital stock of a corporation concerned;”.

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

82. (1) Section 517.5.11 of the Act, enacted by section 137 of chapter 1 of the statutes of 2017, is amended by replacing the first paragraph by the following paragraph:

“A series of transactions that includes the disposition by an individual of eligible shares of a corporation (in this section referred to as the “particular corporation”) may be considered to be an eligible business transfer of the individual only if, in the period that begins immediately after the disposition of the shares and ends at the end of that series of transactions, at least one person (other than the individual) who holds, directly or indirectly, shares of the purchaser corporation, or the person’s spouse, is actively engaged in a business carried on by the particular corporation or by a corporation in which the particular corporation had, immediately before the disposition of those shares, a substantial interest.”

(2) Subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

83. (1) Section 596 of the Act, amended by section 147 of chapter 1 of the statutes of 2017, is again amended by replacing paragraph *b* by the following paragraph:

“(b) for the purposes of subparagraph i of paragraph *b* of the definition of “investment fund” in section 21.0.5, sections 440, 454 and 597.0.6, the definition of “Canadian partnership” in the first paragraph of section 599, paragraph *c* of section 692.5, the definition of “qualified disability trust” in the first paragraph of section 768.2 and paragraph *a* of section 1120;”.

(2) Subsection 1 has effect from 21 March 2013. However, where section 596 of the Act applies to a taxation year that ends before 1 January 2016, paragraph *b* of that section is to be read without reference to “, the definition of “qualified disability trust” in the first paragraph of section 768.2”.

84. (1) Section 657 of the Act, amended by section 152 of chapter 1 of the statutes of 2017, is again amended by replacing subparagraph ii of paragraph *a* by the following subparagraph:

“ii. if the trust is a trust for which a day is to be determined in accordance with subparagraph *a* or *a.4* of the first paragraph of section 653 by reference to a particular death or later death, as the case may be, that has not occurred before the beginning of the year, the aggregate of

(1) the part of the amount that would be its income for the year, but for this paragraph and paragraph *b*, that became payable in the year to, or that was included under section 662 in computing the income of, a beneficiary (other than a beneficiary whose death is the particular death or later death), and

(2) the aggregate of all amounts each of which is an amount that is included, because of the application of any of sections 92.5.2 and 653 to 656.3, in computing the amount that, but for this paragraph and paragraph *b*, would be the trust’s income for the year—if the year is the year in which the particular death or later death, as the case may be, occurs and section 663.0.1 does not apply in respect of the trust for the year—and that is not included in computing the amount determined in accordance with subparagraph 1 for the year, and”.

(2) Subsection 1 applies from the taxation year 2016.

85. (1) The Act is amended by inserting the following section after section 657.1.2:

“**657.1.3.** No deduction may be made under paragraph *a* of section 657, for a taxation year, in computing the income of a succession that arose on and as a consequence of an individual’s death in respect of a payment to the extent that the payment is a gift in respect of which an amount is deducted by the

individual in computing the individual's tax payable for a taxation year under any of sections 752.0.10.6, 752.0.10.6.1 and 752.0.10.6.2.”

(2) Subsection 1 applies to a taxation year that ends after 28 August 2014.

86. (1) Section 663.0.1 of the Act, enacted by section 156 of chapter 1 of the statutes of 2017, is amended

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

“(b) subject to the second paragraph, the trust's income (determined without reference to section 657) for the particular taxation year is, despite section 652, deemed to have become payable in the year to the individual and not to have become payable to another beneficiary or to be included under section 662 in computing the individual's income; and”;

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

“i. subparagraph *ii* of paragraph *b* of the definition of “balance-due day” in section 1 is to be read as if “the taxation year” were replaced by “the calendar year in which the taxation year ends”,”;

(3) by adding the following paragraphs at the end:

“Subparagraph *b* of the first paragraph does not apply in respect of the trust for the particular year, unless

(a) the individual is resident in Canada immediately before the death;

(b) the trust is, immediately before the death, a testamentary trust that is a post-1971 spousal trust created by the will of a taxpayer who died before 1 January 2017; and

(c) the trust and the legal representative administering the succession of the individual that is a graduated rate estate have made a valid election under subparagraph *iii* of paragraph *b.1* of subsection 13.4 of section 104 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to have paragraph *b* of that subsection 13.4 apply in respect of the trust for the particular year.

Chapter V.2 of Title II of Book I applies in relation to an election made under subparagraph *iii* of paragraph *b.1* of subsection 13.4 of section 104 of the Income Tax Act.”

(2) Subsection 1 applies from the taxation year 2016.

87. (1) Section 668.1 of the Act is amended

(1) by replacing the portion before the formula in subparagraph *i* of paragraph *b* by the following:

“668.1. Where, for the purposes of section 668, a personal trust or a trust referred to in section 53 designates an amount in respect of a beneficiary in respect of its net taxable capital gains for a taxation year (in this section and section 668.2 referred to as the “designation year”), the following rules apply:

(*a*) the trust shall in its fiscal return filed under this Part for the designation year designate an amount in respect of its eligible taxable capital gains for the designation year in respect of the beneficiary equal to the amount determined in respect of the beneficiary under each of subparagraphs *i* and *ii* of paragraph *b*;

(*b*) the beneficiary is deemed, for the purposes of sections 28, 462.8 to 462.10 and 727 to 737 as they apply for the purposes of Title VI.5 of Book IV, to have disposed of the capital property referred to in subparagraph *i* or *ii* if a capital gain is determined under either of those subparagraphs in respect of the beneficiary for the beneficiary’s taxation year in which the designation year ends and to have a taxable capital gain for that taxation year

i. from a disposition of capital property that is qualified farm or fishing property of the beneficiary equal to the amount determined by the formula”;

(2) by striking out subparagraph *iii* of paragraph *b*.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

88. (1) Section 668.2 of the Act is amended

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

“668.2. For the purposes of the formulas in subparagraphs *i* and *ii* of paragraph *b* of section 668.1.”;

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

“(c) C is the amount that would be determined under paragraph *b* of section 28 for the designation year in respect of the trust’s capital gains and capital losses if the only properties referred to in that paragraph were, at the time they were disposed of, qualified farm properties, qualified fishing properties or qualified farm or fishing properties of the trust”;

(3) by replacing paragraphs *e* and *f* by the following paragraphs:

“(e) E is the aggregate of the amounts determined under paragraphs *c* and *f* for the designation year in respect of the beneficiary; and

“(f) F is the amount that would be determined under paragraph *b* of section 28 for the designation year in respect of the trust’s capital gains and capital losses if the only properties referred to in that paragraph were, at the time they were disposed of, qualified small business corporation shares of the trust, other than qualified farm properties, qualified fishing properties or qualified farm or fishing properties;”;

(4) by striking out paragraph *g*.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

89. (1) Sections 668.2.1 to 668.2.4 of the Act are repealed.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

90. (1) Section 668.4 of the Act is amended

(1) by replacing the portion before the definition of “eligible taxable capital gains” by the following:

“**668.4.** For the purposes of sections 668.1 and 668.2;”;

(2) by replacing the definition of “qualified farm property” by the following definition:

““qualified farm property” of an individual has the meaning assigned by subparagraph *a* of the first paragraph of section 726.6, as it read before being struck out;”;

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

““qualified farm or fishing property” of an individual has the meaning assigned by subparagraph *a.0.2* of the first paragraph of section 726.6;”;

(4) by replacing the definition of “qualified fishing property” by the following definition:

““qualified fishing property” of an individual has the meaning assigned by subparagraph *a.0.1* of the first paragraph of section 726.6, as it read before being struck out;”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

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

“However, the taxpayer shall apply the provisions of this Book in the following order: Title I.0.0.1, sections 694.0.1, 694.0.2, 737.17, 737.18.12, 726.29, 726.35 and 726.43, Titles V, VI.8, V.1, VI.2, VI.3, VI.3.1, VI.3.2, VI.3.2.1, VI.3.2.2, VI.3.2.3, VII, VII.0.1, VI.5 and VI.5.1 and sections 725.1.2, 737.14 to 737.16.1, 737.18.10, 737.18.11, 737.18.17, 737.18.17.5, 737.18.26, 737.18.34, 737.18.40, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25, 737.28, 726.28, 726.33, 726.34 and 726.42.”

(2) Subsection 1, where it inserts a reference to section 737.18.40 of the Act in the second paragraph of section 693 of the Act, applies to a taxation year that begins after 31 December 2016 and, where it inserts a reference to sections 726.42 and 726.43 of the Act in that second paragraph, applies to a taxation year that ends after 17 March 2016.

92. (1) Section 693.2 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

“**693.2.** In this Book, except Titles VI.10 and VI.11, the following rules apply in respect of a taxpayer if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and a given partnership, for a given fiscal period of the given partnership:”.

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

93. Section 725.2.2 of the Act, amended by section 170 of chapter 1 of the statutes of 2017, is again amended by striking out the second paragraph.

94. Title VI.1 of Book IV of Part I of the Act, comprising section 726.1, is repealed.

95. (1) Section 726.4.17.18 of the Act is amended, in the definition of “northern exploration zone”,

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

“(a) the territory situated north of the 49th degree of north latitude and north of the St. Lawrence River and the Gulf of St. Lawrence, and south of the 55th degree of north latitude; and”;

(2) by striking out paragraph *b*;

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

“(c) the territory situated north of the 55th degree of north latitude;”.

(2) Subsection 1 applies in respect of exploration expenses incurred after 28 March 2017.

96. (1) Section 726.6 of the Act is amended

(1) by striking out subparagraphs *a* and *a.0.1* of the first paragraph;

(2) by inserting the following subparagraph after subparagraph *a.0.1* of the first paragraph:

“(a.0.2) “qualified farm or fishing property”, of an individual (other than a trust that is not a personal trust) at any time, means a property that is owned at that time by the individual, the spouse of the individual or a partnership, an interest in which is an interest in a family farm or fishing partnership of the individual or the individual’s spouse and that is

i. an immovable or a fishing boat that was used in the course of carrying on a farming or fishing business in Canada by

(1) the individual,

(2) where the individual is a personal trust, a beneficiary under the trust that is entitled to receive directly from the trust all or part of the income or capital of the trust,

(3) the spouse, a child or the father or mother of an individual referred to in subparagraph 1 or 2,

(4) a corporation, a share of the capital stock of which is a share of the capital stock of a family farm or fishing corporation of an individual referred to in any of subparagraphs 1 to 3, or

(5) a partnership, an interest in which is an interest in a family farm or fishing partnership of an individual referred to in any of subparagraphs 1 to 3,

ii. a share of the capital stock of a family farm or fishing corporation of the individual or the individual’s spouse,

iii. an interest in a family farm or fishing partnership of the individual or the individual’s spouse, or

iv. an incorporeal capital property used in the course of carrying on a farming or fishing business in Canada by a person or partnership referred to in any of subparagraphs 1 to 5 of subparagraph i or by a personal trust from which the individual acquired the capital property;”;

(3) by striking out subparagraphs *a.3* and *a.4* of the first paragraph;

(4) by inserting the following subparagraph after subparagraph *a.4* of the first paragraph:

“(a.5) “interest in a family farm or fishing partnership”, of an individual (other than a trust that is not a personal trust) at any time, means a partnership interest owned by the individual at that time if

i. throughout any 24-month period ending before that time, more than 50% of the fair market value of the property of the partnership was attributable to

(1) property that was used by the partnership or any of the persons or partnerships described in the third paragraph, principally in the course of carrying on a farming or fishing business in Canada in which the individual, a beneficiary referred to in subparagraph *b* of the third paragraph or the spouse, a child or the father or mother of the individual or of such a beneficiary was actively engaged on a regular and continuous basis,

(2) shares of the capital stock or indebtedness of one or more corporations of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph 4,

(3) a partnership interest in or indebtedness of one or more partnerships of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph 4, or

(4) property described in any of subparagraphs 1 to 3, and

ii. at that time, all or substantially all of the fair market value of the property of the partnership was attributable to property described in subparagraph 4 of subparagraph i;”;

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

“(2) the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were properties that, at the time they were disposed of, were qualified farm properties or qualified fishing properties, within the meaning of subparagraphs *a* and *a.0.1*, as they read before being struck out, qualified farm or fishing properties and qualified small business corporation shares, exceeds”;

(6) by replacing the second paragraph and the portion of the third paragraph before subparagraph *a* by the following:

“For the purposes of subparagraph iv of subparagraph *a.0.2* of the first paragraph, an incorporeal capital property is deemed to include a capital property in respect of which paragraph *b* of section 437 or subparagraph *d* of the first paragraph of section 462 applies.

The persons and partnerships referred to in subparagraph 1 of subparagraph i of subparagraph *a.5* of the first paragraph are”;

(7) by replacing subparagraphs *d* and *e* of the third paragraph by the following subparagraphs:

“(d) a corporation, a share of the capital stock of which was a share of the capital stock of a family farm or fishing corporation of the individual, of a beneficiary referred to in subparagraph *b* or of the spouse, a child or the father or mother of the individual or of such a beneficiary; or

“(e) a partnership, an interest in which was an interest in a family farm or fishing partnership of the individual, of a beneficiary referred to in subparagraph *b* or of the spouse, a child or the father or mother of the individual or of such a beneficiary.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

97. (1) Section 726.6.1 of the Act is amended

(1) by striking out the definition of “share of the capital stock of a family farm corporation” in the first paragraph;

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

““share of the capital stock of a family farm or fishing corporation”, of an individual (other than a trust that is not a personal trust) at any time, means a share of the capital stock of a corporation owned by the individual at that time if

(a) throughout any 24-month period ending before that time, more than 50% of the fair market value of the property owned by the corporation was attributable to

i. property that was used principally in the course of carrying on a farming or fishing business in Canada in which an individual referred to in any of subparagraphs 2 to 4 was actively engaged on a regular and continuous basis, by

(1) the corporation,

(2) the individual,

(3) if the individual is a personal trust, a beneficiary under the trust,

(4) the spouse, a child or the father or mother of an individual referred to in subparagraph 2 or 3,

(5) another corporation that is related to the corporation and of which a share of the capital stock was a share of the capital stock of a family farm or fishing corporation of an individual referred to in any of subparagraphs 2 to 4, or

(6) a partnership, an interest in which was an interest in a family farm or fishing partnership of an individual referred to in any of subparagraphs 2 to 4,

ii. shares of the capital stock or indebtedness of one or more corporations of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv,

iii. a partnership interest in or indebtedness of one or more partnerships of which all or substantially all of the fair market value of the property was attributable to property described in subparagraph iv, or

iv. property described in any of subparagraphs i to iii; and

(b) at that time, all or substantially all of the fair market value of the property owned by the corporation was attributable to property described in subparagraph iv of paragraph a.”;

(3) by striking out the definition of “share of the capital stock of a family fishing corporation” in the first paragraph;

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

“For the purposes of the definitions of “qualified small business corporation share” and “share of the capital stock of a family farm or fishing corporation” in the first paragraph, the fair market value of a net income stabilization account or of a farm income stabilization account is deemed to be nil.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

98. (1) Section 726.6.2 of the Act is amended

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

“**726.6.2.** For the purposes of the definition of “small business corporation” in section 1, of subparagraph *a.2* of the first paragraph of section 451, of the definitions of “qualified small business corporation share” and “share of the capital stock of a family farm or fishing corporation” in the first paragraph of section 726.6.1, and of the second paragraph of section 726.6.1, the following rules apply:”;

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

“ii. the total fair market value of assets described in the second paragraph—other than assets described in subparagraphs i to iii of paragraph *c* of the definition of “qualified small business corporation share” in the first paragraph of section 726.6.1, subparagraphs i to iii of paragraph *a* of the definition of “share of the capital stock of a family farm or fishing corporation” in that first paragraph, or paragraphs *a* to *c* of the definition of “small business corporation” in section 1, as the case may be—of any of those corporations not in excess of the fair market value of the assets immediately after the death of the insured is deemed, until the later of the redemption, acquisition or cancellation referred to in subparagraph *b* of the second paragraph and the day that is 60 days after the payment of the proceeds under the policy, not to exceed the cash surrender value, within the meaning of paragraph *d* of section 966, of the life insurance policy immediately before the death of the insured; and”;

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

“Subparagraph *b* of the first paragraph applies only in determining whether a share of the capital stock of another corporation with which the particular corporation referred to in that subparagraph *b* is connected is a qualified small business corporation share or a share of the capital stock of a family farm or fishing corporation and in determining whether the other corporation is a small business corporation.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

99. (1) Section 726.6.3 of the Act is amended

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

“726.6.3. For the purposes of subparagraph *a.0.2* of the first paragraph of section 726.6, at any time, a property owned at that time by an individual, the individual’s spouse or a partnership, an interest in which is an interest in a family farm or fishing partnership of the individual or of the individual’s spouse will not be considered to have been used in the course of carrying on a farming or fishing business in Canada, unless”;

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

“(2) a partnership, an interest in which is an interest in a family farm or fishing partnership of the individual or of the individual’s spouse,”;

(3) by replacing subparagraphs 1 and 2 of subparagraph ii of subparagraph *a* of the first paragraph by the following subparagraphs:

“(1) in at least two years while the property was owned by one or more persons or partnerships referred to in subparagraph i, the property was used principally in a farming or fishing business carried on in Canada in which an individual referred to in subparagraph i, or where the individual is a personal trust, a beneficiary under the trust, was actively engaged on a regular and continuous basis, and the gross revenue of a person referred to in subparagraph i (in this subparagraph 1 referred to as the “operator”) from such a business for the period during which the property was owned by a person or partnership referred to in subparagraph i exceeded the income of the operator from all other sources for that period, or

“(2) throughout a period of at least 24 months while the property was owned by one or more persons or partnerships referred to in subparagraph i, the property was used by a corporation described in subparagraph 4 of subparagraph i of subparagraph *a.0.2* of the first paragraph of section 726.6 or by a partnership described in subparagraph 5 of that subparagraph i in a farming or fishing business in which an individual referred to in any of subparagraphs 1 to 3 of that subparagraph i was actively engaged on a regular and continuous basis; and”;

(4) by replacing subparagraphs 2 to 4 of subparagraph i of subparagraph *c* of the first paragraph by the following subparagraphs:

“(2) a beneficiary described in subparagraph 2 of subparagraph i of subparagraph *a.0.2* of the first paragraph of section 726.6, or the spouse, a child or the father or mother of that beneficiary,

“(3) a corporation described in subparagraph 4 of subparagraph i of subparagraph *a.0.2* of the first paragraph of section 726.6,

“(4) a partnership described in subparagraph 5 of subparagraph i of subparagraph *a.0.2* of the first paragraph of section 726.6, or”;

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

“If, at any time, a qualified farm or fishing property is encumbered with a real servitude, the incorporeal capital property that results from the establishment of that servitude is considered, at that time, to have been used in the course of carrying on a farming or fishing business in Canada only if the qualified farm or fishing property so encumbered satisfies the conditions set out in subparagraphs *a* and *c* of the first paragraph.”

(2) Paragraphs 1 to 4 of subsection 1 apply in respect of a disposition that occurs after 31 December 2013.

(3) Paragraph 5 of subsection 1 applies in respect of a real servitude established after 31 December 2013.

100. (1) Section 726.6.4 of the Act is repealed.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

101. (1) Section 726.7 of the Act, amended by section 172 of chapter 1 of the statutes of 2017, is again amended

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

“**726.7.** In computing the taxable income for a taxation year of an individual other than a trust, there shall be deducted, if the individual was resident in Canada throughout the year and disposed of qualified farm or fishing property in the year or a preceding taxation year or disposed of qualified farm property or qualified fishing property before 1 January 2014, an amount equal to the least of”;

(2) by replacing subparagraphs *d* and *e* of the first paragraph by the following subparagraphs:

“(d) the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were properties that, at the time they were disposed of, were qualified farm properties, qualified fishing properties or qualified farm or fishing properties; and

“(e) the amount that is allowed as a deduction in computing the individual’s taxable income for the year for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) under section 110.6 of that Act, in respect of properties referred to in this paragraph or, if the amount that is so allowed as a deduction is equal to the maximum amount that the individual may claim as a deduction in that computation under that section in respect of such properties, the amount that the individual specifies and that is not less than that maximum amount.”;

(3) by inserting the following paragraph after the third paragraph:

“For the purposes of the first paragraph, “qualified farm property” and “qualified fishing property” have the meaning assigned by section 726.6, as it read before subparagraphs *a* and *a.0.1* of the first paragraph of that section were struck out.”;

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

“For the purposes of subparagraph *e* of the first paragraph, where section 517.5.5 applies in respect of the disposition in a taxation year of eligible shares of an individual that are described in paragraph *a* of the definition of that expression in the first paragraph of section 517.5.3, the amount that would

be determined in respect of the individual for the year under paragraph *b* of section 28 if those shares were the only properties referred to in that paragraph *b* is deemed to have been allowed as a deduction in computing the individual's taxable income for the year for the purposes of the Income Tax Act under section 110.6 of that Act in respect of qualified farm or fishing properties.”;

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

“Sections 21.4.6 and 21.4.7 apply, with the necessary modifications, in relation to a claim for a deduction made under section 110.6 of the Income Tax Act in respect of properties referred to in the first paragraph.”

(2) Paragraphs 1 to 3 and 5 of subsection 1 apply in respect of a disposition that occurs after 31 December 2013.

(3) Paragraph 4 of subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

102. (1) Section 726.7.1 of the Act, amended by section 173 of chapter 1 of the statutes of 2017, is again amended

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

“(d) the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28, to the extent that that amount is not included in computing the amount determined in respect of the individual under subparagraph *d* of the first paragraph of section 726.7, in respect of capital gains and capital losses if the only properties referred to in paragraph *b* of section 28 were qualified small business corporation shares of the individual; and”;

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

“For the purposes of subparagraph *e* of the first paragraph, where section 517.5.5 applies in respect of the disposition in a taxation year of eligible shares of an individual that are described in paragraph *b* of the definition of that expression in the first paragraph of section 517.5.3, the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28 if those shares were the only properties referred to in that paragraph *b* is deemed to have been allowed as a deduction in computing the individual's taxable income for the year for the purposes of the Income Tax Act under section 110.6 of that Act in respect of qualified small business corporation shares.”

(2) Paragraph 1 of subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

(3) Paragraph 2 of subsection 1 applies in respect of a disposition of shares that occurs after 17 March 2016.

103. (1) Sections 726.7.2 and 726.7.3 of the Act are repealed.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

104. (1) Section 726.9 of the Act is replaced by the following section:

“726.9. Despite sections 726.7 and 726.7.1, the total amount that may be deducted under this Title in computing an individual’s taxable income for a taxation year must not exceed the amount determined by the formula in subparagraph *a* of the first paragraph of section 726.7 in respect of the individual for the year.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

105. (1) Section 726.10 of the Act is replaced by the following section:

“726.10. For the purposes of sections 726.7 and 726.7.1, an individual is deemed to have been resident in Canada throughout a particular taxation year if the individual was resident in Canada at any time in the particular year and throughout the preceding taxation year or the following taxation year.”

(2) Subsection 1 has effect from 1 January 2014.

106. (1) Section 726.11 of the Act is amended by replacing the portion before paragraph *a* by the following:

“726.11. Despite sections 726.7 and 726.7.1, no amount may be deducted under this Title in respect of the capital gain of an individual for a particular taxation year in computing the individual’s taxable income for the particular year or any subsequent taxation year, if the individual knowingly or under circumstances amounting to gross negligence”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

107. (1) Section 726.13 of the Act is amended by replacing the portion before paragraph *a* by the following:

“726.13. Despite sections 726.7 and 726.7.1, no amount may be deducted under this Title in computing an individual’s taxable income for a taxation year in respect of a capital gain of the individual for the year, if the capital gain is from the disposition of a property, which disposition is part of a series of transactions or events”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

108. (1) Section 726.14 of the Act is replaced by the following section:

“726.14. Despite sections 726.7 and 726.7.1, where an individual has a capital gain for a taxation year from the disposition of property, no amount in respect of that capital gain shall be deducted under this Title in computing the individual’s taxable income for the year if it may reasonably be considered, having regard to all the circumstances, that a significant portion of the capital gain is attributable to the fact that dividends were not paid on a share, other than a prescribed share, or that dividends paid on such a share in the year or in any preceding taxation year were less than 90% of the average annual rate of return on that share for that year.”

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

109. (1) Section 726.19 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2016. In addition, where section 726.19 of the Act applies in respect of a disposition that occurs after 31 December 2013, it is to be read as if subparagraph *b* of the first paragraph were replaced by the following subparagraph:

“(b) the amount that would be determined in respect of the trust for the year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were, at the time they were disposed of, qualified farm or fishing properties, qualified small business corporation shares, qualified farm properties or qualified fishing properties, within the meaning assigned to those expressions by section 726.6, as it read before subparagraphs *a* and *a.0.1* of the first paragraph of that section were struck out; and”.

110. (1) Section 726.19.1 of the Act is amended

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

“726.19.1. Where an amount is included in computing an individual’s income for a particular taxation year because of the second paragraph of section 234 in respect of a disposition of property in a preceding taxation year that, at the time of the disposition, is qualified farm property or qualified fishing property, within the meaning assigned by section 726.6, as it read before subparagraphs *a* and *a.0.1* of the first paragraph of that section were struck out, a qualified small business corporation share or qualified farm or fishing property, the total of all amounts deductible by the individual for the particular year under this Title is reduced by the amount determined by the formula”;

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

“This section does not apply in respect of a disposition of qualified farm or fishing property after 2 December 2014.”

(2) Paragraph 1 of subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

(3) Paragraph 2 of subsection 1 has effect from 1 January 2014.

III. (1) Section 726.20.1 of the Act is amended by replacing paragraph *c* of the definition of “eligible taxable capital gain amount” in the first paragraph by the following paragraph:

“(c) subject to the fourth paragraph, nil, where the particular property is property described in section 726.7 or 726.7.1 and the amount by which the amount determined in respect of the individual for the year by the formula provided for in subparagraph *a* of the first paragraph of section 726.7 exceeds the amount, if any, deducted under Title VI.5 by the individual in computing the individual’s taxable income for the year is not nil;”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2013.

II2. (1) The Act is amended by inserting the following after section 726.37:

“TITLE VI.11

“DEDUCTION FOR FOREST PRODUCERS FOR A YEAR SUBSEQUENT TO 2015

“CHAPTER I

“INTERPRETATION AND GENERAL RULES

“**726.38.** In this Title,

“eligible individual” for a taxation year means an individual who is resident in Québec at the end of the year;

“eligible taxpayer” for a taxation year means an eligible individual for the year or a qualified corporation for the year;

“qualified corporation” for a taxation year means a Canadian-controlled private corporation whose paid-up capital attributed to the corporation for the year, determined in accordance with section 726.39, is not greater than \$15,000,000;

“recognized commercial activity” in respect of a private forest means the sale of timber to a purchaser having an establishment in Québec, other than a retail sale, derived from the operation of the private forest.

“726.39. The paid-up capital attributed to a corporation for a taxation year that ends in a calendar year is equal to

(a) where the corporation is not associated with any other corporation in the taxation year, its paid-up capital determined as provided in section 771.2.1.9 either for its preceding taxation year or, if the corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles; and

(b) where the corporation is associated with one or more other corporations in the taxation year, the aggregate of all amounts each of which is, for the corporation or any of the other corporations, the amount of its paid-up capital determined as provided in section 771.2.1.9 either for its last taxation year that ended in the preceding calendar year or, if such a corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

“726.40. In this Title, the following rules apply in respect of a taxpayer if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and a given partnership that is a certified forest producer under the Sustainable Forest Development Act (chapter A-18.1) in respect of a private forest at the end of a given fiscal period of the given partnership:

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer’s particular taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member (in this section referred to as the “last interposed partnership”), if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership's interposed fiscal period;

(b) the taxpayer is deemed to be a member of the given partnership at the end of the particular taxation year if

i. the taxpayer is a member of the last interposed partnership throughout the part of the particular taxation year that begins immediately after the end of that interposed partnership's interposed fiscal period, and

ii. in the period described in subparagraph i, the link between the taxpayer and the given partnership did not cease to exist as a result of the interposed partnership ceasing, in the part of the interposed fiscal period of an interposed partnership that begins immediately after the end of the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership was a member at that time, to be a member of that particular partnership;

(c) for the purpose of determining the taxpayer's share in an amount in respect of the given partnership for the given fiscal period, the agreed proportion in respect of the taxpayer for that fiscal period of the given partnership is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the last interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership's given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period; and

(d) the taxpayer is deemed to cease to be a member of the given partnership in a taxation year subsequent to the particular year, if any of the following events occurs and, as a result, the link between the taxpayer and that given partnership ceases to exist:

i. at a particular time in that subsequent taxation year, the taxpayer ceases to be a member of the last interposed partnership,

ii. the last interposed partnership ceases, at a particular time in its subsequent fiscal period that ends in that subsequent taxation year, to be a member of the particular partnership whose particular fiscal period ends in that subsequent fiscal period, or

iii. an interposed partnership ceases, at a particular time in its subsequent fiscal period that would be deemed to end in the subsequent taxation year if paragraph *a* were applied to that interposed partnership for that fiscal period, without reference to the event described in this subparagraph, to be a member of the particular partnership whose particular fiscal period ends in the subsequent fiscal period.

“726.41. Section 726.40 does not apply in respect of a taxpayer, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the taxpayer and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the taxpayer to be able to deduct, in computing taxable income for a taxation year under this Title, an amount greater than the amount that the taxpayer could have so deducted for that taxation year, but for that interposition.

“CHAPTER II

“DEDUCTION

“726.42. An eligible taxpayer for a taxation year ending before 1 January 2021 who, at the end of the year, is a certified forest producer under the Sustainable Forest Development Act (chapter A-18.1) in respect of a private forest, or is a member of a partnership that is such a certified forest producer in respect of a private forest at the end of a fiscal period of the partnership that ends in the year, may deduct in computing taxable income for the year, if the taxpayer encloses the documents described in the third paragraph with the fiscal return the taxpayer is required to file for the year under section 1000, an amount not exceeding the lesser of \$170,000 and 85% of the aggregate of

(a) the amount determined by the formula

$A - B$; and

(b) the amount determined by the formula

$C - D$.

In the formulas in the first paragraph,

(a) *A* is the aggregate of all amounts each of which is the eligible taxpayer's income deriving from recognized commercial activities for the year in respect of a private forest;

(b) *B* is the aggregate of all amounts each of which is the eligible taxpayer's loss deriving from recognized commercial activities for the year in respect of a private forest;

(c) C is the aggregate of all amounts each of which is the eligible taxpayer's share of the partnership's income deriving from recognized commercial activities for its fiscal period that ends in the year in respect of a private forest; and

(d) D is the aggregate of all amounts each of which is the eligible taxpayer's share of the partnership's loss deriving from recognized commercial activities for its fiscal period that ends in the year in respect of a private forest.

The documents to which the first paragraph refers are

(a) the prescribed form containing prescribed information; and

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

For the purposes of subparagraphs *c* and *d* of the second paragraph, the share, for a fiscal period of a partnership, of a taxpayer who is a member of the partnership of the income or loss of the partnership deriving from recognized commercial activities for the fiscal period in respect of a private forest is equal to the agreed proportion of the income or loss in respect of the taxpayer for the fiscal period.

“CHAPTER III

“AMOUNT TO BE INCLUDED

“**726.43.** A taxpayer who deducted a particular amount in computing taxable income for a particular taxation year under section 726.42, as a certified forest producer under the Sustainable Forest Development Act (chapter A-18.1) in respect of a private forest, or as a member of a partnership that is such a certified forest producer in respect of a private forest, shall include in computing taxable income for each taxation year (in this paragraph referred to as an “inclusion year”) that is one of the six taxation years that follow the particular year, except a taxation year for which the taxpayer is required to include an amount in computing taxable income under the second or third paragraph in respect of the particular amount, an amount at least equal to 10% of the particular amount unless, for the inclusion year, that minimum amount is greater than the excess amount that corresponds to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in computing taxable income in respect of the particular amount under this section for a taxation year preceding the inclusion year or under the second or third paragraph for the inclusion year, in which case the taxpayer shall include the excess amount in computing taxable income for the inclusion year.

Where the particular amount that the taxpayer referred to in the first paragraph deducted for the particular year is in respect of a single private forest, the taxpayer shall include in computing taxable income for a taxation year referred to in the fourth paragraph an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, in computing taxable income, in respect of the particular amount, under the first paragraph, for a taxation year preceding the year referred to in the fourth paragraph.

Where the particular amount that the taxpayer referred to in the first paragraph deducted for the particular year is in respect of more than one private forest, the taxpayer shall include in computing taxable income for a taxation year referred to in the fourth paragraph (in this paragraph referred to as the “year concerned”) an amount equal to the greater of the amount that the taxpayer should include in respect of the particular amount, under the first paragraph, for the year concerned but for this paragraph, and the lesser of the proportion, described in the fifth paragraph, of the particular amount and the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in respect of the particular amount in computing taxable income, under this section, for a taxation year preceding the year concerned.

A taxation year referred to in the second or third paragraph is one of the six taxation years that follow the particular year and is

- (a) the taxation year in which the taxpayer disposes of a private forest referred to in that paragraph;
- (b) the taxation year in which ends a partnership’s fiscal period in which the partnership disposes of a private forest referred to in that paragraph; or
- (c) the taxation year in which the taxpayer ceases to be a member of a partnership referred to in the first paragraph.

The proportion to which the third paragraph refers is the proportion that the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest in respect of which any of subparagraphs *a* to *c* of the fourth paragraph applies is of the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest.

The taxpayer to which the first paragraph refers shall include in computing taxable income for the seventh taxation year that follows the particular year an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, under any of the first, second and third paragraphs, in computing taxable income, in respect of the particular amount, for a preceding taxation year.

“726.44. Where an individual deducted a particular amount in computing taxable income for a taxation year under section 726.42, is resident in Canada outside Québec on the last day of a subsequent taxation year and should include an amount under section 726.43 in computing taxable income for the subsequent year, in respect of the particular amount, if the individual was resident in Québec on the last day of the subsequent year, the individual is deemed, for the purposes of sections 25 and 1088, to be carrying on a business through an establishment in Québec at any time in that subsequent year.”

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

113. (1) Section 729.1 of the Act is amended

(1) by replacing “amount claimed in respect of” and “claimed under” in subparagraph iii of subparagraph *b* of the first paragraph by “amount claimed as a deduction in respect of” and “claimed as a deduction under”, respectively;

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

“(c) the amount that the Minister determines to be reasonable in the circumstances for the particular taxation year, after considering the application to the taxpayer of sections 668.7, 851.16.2, 1106 and 1113 as they read in their application to the taxpayer’s last taxation year that began before 1 November 2011.”;

(3) by replacing “For the purposes of the formula set forth in” in the portion of the second paragraph before subparagraph *a* by “In the formula in”;

(4) by replacing “amount claimed” in subparagraph *a* of the second paragraph by “amount claimed as a deduction”.

(2) Paragraphs 1 and 2 of subsection 1 apply to a taxation year that begins after 31 October 2011.

114. (1) Sections 736.1 and 736.2 of the Act are repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011.

115. (1) The Act is amended by inserting the following after section 737.18.35:

“TITLE VII.2.7

**“DEDUCTION FOR INNOVATIVE MANUFACTURING
CORPORATIONS**

“CHAPTER I

“INTERPRETATION AND GENERAL RULES

“737.18.36. In this Title, unless the context indicates otherwise,

“cost of labour” of a corporation for a taxation year means the portion of the cost of labour of the corporation for the year, determined in accordance with the definition of that expression in section 5202 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), that may reasonably be attributed to activities carried out in Québec;

“cost of manufacturing and processing labour” of a corporation for a taxation year means the lesser of the cost of labour of the corporation for the year and the amount that would be the cost of manufacturing and processing labour of the corporation for the year, determined in accordance with the definition of that expression in section 5202 of the Income Tax Regulations, if that definition were read without reference to the portion after paragraph *b* and if the definition of “qualified activities” in that section 5202 were read as if “Canada” were replaced wherever it appears by “Québec”;

“manufacturing corporation” for a taxation year means a corporation in respect of which the proportion of the manufacturing and processing activities for the year is at least 50%;

“proportion of the manufacturing and processing activities” of a corporation for a taxation year means the proportion that the cost of manufacturing and processing labour of the corporation for the year is of the cost of labour of the corporation for the year;

“qualified manufacturing corporation” for a taxation year means a manufacturing corporation for the year whose paid-up capital determined for the year in accordance with section 737.18.37 is at least \$15,000,000;

“qualified patented part” of a qualified manufacturing corporation for a taxation year means an invention of the corporation if

(a) the corporation has made sustained innovation efforts in relation to the invention;

(b) the invention derives in whole or in part from scientific research and experimental development work undertaken in Québec by the corporation or another corporation associated with it at the time the work was undertaken, or on behalf of the corporation or the other corporation, as the case may be, and the corporation or the other corporation is deemed to have paid an amount to the Minister under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX in respect of the work; and

(c) the corporation, alone or together with other persons, holds a patent, in respect of the invention, that satisfies the following conditions:

i. it is issued under the Patent Act (Revised Statutes of Canada, 1985, chapter P-4) or an Act having the same effect of a jurisdiction other than Canada,

ii. the application by virtue of which the patent is issued is made, after 17 March 2016, in accordance with the requirements of an Act referred to in subparagraph i, and

iii. it is valid throughout the year;

“qualified property” of a qualified manufacturing corporation for a taxation year means property in respect of which the following conditions are satisfied:

(a) it incorporates at least one qualified patented part of the corporation;

(b) it is sold, leased or rented by the corporation in the year;

(c) the corporation keeps a register containing the information necessary to prepare separate accounts, in respect of the property, by virtue of which the corporation designates, in relation to the property, a portion of the corporation’s gross revenue for the year from the sale, lease or rental of the property and a portion of the expenses, reserves, allowances and other amounts otherwise deductible by the corporation in computing its income for the year that may reasonably be considered to be attributable to the property; and

(d) the gross revenue of the corporation for the year from the sale, lease or rental of the property is reasonably attributable to an establishment of the corporation situated in Québec.

A qualified manufacturing corporation is deemed to hold a patent and satisfy the conditions of paragraph *c* of the definition of “qualified patented part” in the first paragraph, in respect of the patent, for a taxation year if the application for a patent is made, after 17 March 2016, in accordance with the requirements of an Act referred to in subparagraph *i* of that paragraph *c* and if a decision by the competent authority regarding the application is pending in the year.

“737.18.37. The paid-up capital of a corporation for a particular taxation year of the corporation that ends in a calendar year is equal,

(a) where the corporation is not associated with any other corporation in the particular year, to the corporation’s paid-up capital determined in accordance with section 737.18.38 either for the taxation year that precedes the particular year or, if the corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles; and

(b) where the corporation is associated with one or more other corporations in the particular year, to the aggregate of all amounts each of which is, for the corporation or each of the other corporations, its paid-up capital determined in accordance with section 737.18.38 either for its last taxation year that ends in the preceding calendar year or, if such a corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, on the basis of such financial statements that would be prepared in accordance with generally accepted accounting principles.

“737.18.38. For the purposes of section 737.18.37, the paid-up capital of a corporation for a taxation year is the corporation’s paid-up capital that would be determined for that year in accordance with Book III of Part IV if no reference were made to section 1138.2.6.

“737.18.39. For the purposes of paragraph *a* of the definition of “qualified patented part” in the first paragraph of section 737.18.36, a corporation has made sustained innovation efforts in relation to an invention if the total of all amounts each of which is an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13, reduced as provided in that section and determined in relation to scientific research and experimental development work undertaken in the particular period described in the second paragraph by the corporation or by another corporation with which it is associated in the taxation year in which the work was undertaken and in respect of which the corporation or the other corporation, as the case may be, is deemed to have paid an amount to the Minister under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX is at least \$500,000.

The particular period to which the first paragraph refers is the five-taxation-year period that precedes the taxation year in which the application referred to in subparagraph ii of paragraph *c* of the definition of “qualified patented part” in the first paragraph of section 737.18.36 is made in relation to the invention referred to in the first paragraph.

“CHAPTER II**“DEDUCTION**

“737.18.40. Subject to the third paragraph, a qualified manufacturing corporation for a taxation year may deduct in computing its taxable income for the year an amount not exceeding the product obtained by multiplying the annual percentage determined in its respect for the year under section 737.18.42 by the aggregate of all amounts each of which is equal, in respect of a qualified property of the corporation, to the lesser of

(a) the ceiling determined under section 737.18.41 for the year in respect of the qualified property; and

(b) the portion of the particular amount described in the second paragraph, determined in respect of the qualified property for the year, that may reasonably be considered to be attributable to the added value that one or more qualified patented parts of the corporation bring to the property.

The particular amount to which the first paragraph refers, in relation to a qualified property of the corporation for a taxation year, is equal to the amount by which the portion of the corporation's gross revenue for the year from the sale, lease or rental of the property exceeds the portion of the expenses, reserves, allowances and other amounts otherwise deductible by the corporation in computing its income for the year that may reasonably be considered to be attributable to the property, such portions being determined on the basis of the separate accounts relating to the property referred to in paragraph *c* of the definition of “qualified property” in the first paragraph of section 737.18.36.

A corporation may deduct an amount under the first paragraph in computing its taxable income for a taxation year only if it encloses, with the fiscal return it is required to file for the year under section 1000,

(a) the prescribed form containing prescribed information; and

(b) in relation to each qualified property of the corporation referred to in the first paragraph, a copy of the register kept by the corporation containing the information necessary to prepare separate accounts in respect of the property for the year.

“737.18.41. The ceiling to which subparagraph *a* of the first paragraph of section 737.18.40 refers, determined for a taxation year in respect of a qualified property of a corporation, is equal to 50% of the particular amount determined under the second paragraph of section 737.18.40 in relation to that property for the year.

“737.18.42. The annual percentage determined for a taxation year of a qualified manufacturing corporation is equal to the total of

(a) the proportion of 66.1% that the number of days in the taxation year that precede 1 January 2018 is of the number of days in the taxation year;

(b) the proportion of 65.8% that the number of days in the taxation year that follow 31 December 2017 but precede 1 January 2019 is of the number of days in the taxation year;

(c) the proportion of 65.5% that the number of days in the taxation year that follow 31 December 2018 but precede 1 January 2020 is of the number of days in the taxation year; and

(d) the proportion of 65.2% that the number of days in the taxation year that follow 31 December 2019 is of the number of days in the taxation year.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

116. (1) Section 740.1 of the Act is amended

(1) by replacing “is paid” in the first paragraph by “is received”;

(2) by replacing “Aux fins” and “réputée être” in the second paragraph in the French text by “Pour l’application” and “réputée”, respectively.

(2) Paragraph 1 of subsection 1 applies in respect of a dividend received after 4 November 2010.

117. (1) Section 740.2 of the Act is amended by replacing “was paid” in the portion of paragraph *a* before subparagraph *i* by “was received”.

(2) Subsection 1 applies in respect of a dividend received after 4 November 2010.

118. (1) Section 750 of the Act is amended by replacing paragraphs *a* to *d* by the following paragraphs:

“(a) 15% of the lesser of \$42,705 and the individual’s taxable income for that year;

“(b) 20% of the amount by which the lesser of \$85,405 and the individual’s taxable income for that year exceeds \$42,705;

“(c) 24% of the amount by which the lesser of \$103,915 and the individual’s taxable income for that year exceeds \$85,405; and

“(d) 25.75% of the amount by which the individual’s taxable income for that year exceeds \$103,915.”

(2) Subsection 1 applies from the taxation year 2017.

(3) In addition, in applying section 1026 of the Act for the purpose of computing the amount of a payment that an individual is required to make for the taxation year 2017, and in applying section 1038 of the Act for the purpose of computing the interest, if any, that the individual is required to pay under that section in respect of that payment, the individual's estimated tax or tax payable, as the case may be,

(1) must, in respect of a payment that the individual is required to make before 29 March 2017, be determined without reference to this section and sections 122, 126, 127, 129, 131, 151, 162 and 163 and as if the percentage specified in section 750.1 of the Act for the year were equal to 20%; and

(2) is, in respect of a payment that the individual is required to make after 28 March 2017 and before 22 November 2017, deemed to be equal to the amount by which the individual's estimated tax or tax payable, as the case may be, for the year, determined in accordance with paragraph 1 exceeds the product obtained by multiplying, by the proportion that 4 is of the number of payments that the individual is required to make after 28 March 2017 under section 1026 of the Act, the amount by which the individual's estimated tax or tax payable, as the case may be, determined in accordance with paragraph 1 exceeds the individual's estimated tax or tax payable, as the case may be, determined without reference to this section and sections 131 and 163 and as if

(a) the percentage specified in section 750.1 of the Act for the year were equal to 16%;

(b) paragraph *d* of section 752.0.1 of the Act, as amended by section 126, were read as if "\$2,861" were replaced by "\$2,682";

(c) the portion of paragraph *f* of section 752.0.1 of the Act before subparagraph *i*, as amended by section 126, were read as if "\$4,168" were replaced by "\$3,907"; and

(d) section 776.41.14 of the Act, as amended by section 162, were read as if "\$10,222" and "\$2,861" were replaced wherever they appear by "\$9,582" and "\$2,682", respectively.

119. (1) Section 750.1 of the Act is amended

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

"750.1. The percentage to which sections 752.0.0.1, 752.0.0.4 to 752.0.0.6, 752.0.1, 752.0.7.4, 752.0.11, 752.0.13.1, 752.0.13.1.1, 752.0.14, 752.0.18.15, 776.41.14 and 1015.3 refer, as they read in their application to a taxation year preceding the year 2017, is";

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

“(c) 20%, where the taxation year is subsequent to the year 2001 and precedes the year 2017.”;

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

“The percentage to which sections 752.0.0.1, 752.0.1, 752.0.7.4, 752.0.14, 776.41.14 and 1015.3 refer is 15% where the taxation year is the year 2017 or a subsequent year.”

(2) Subsection 1 applies from the taxation year 2017.

120. (1) Section 750.2 of the Act is amended

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

“**750.2.** Each of the amounts referred to in the fourth paragraph that must be used for a taxation year subsequent to the taxation year 2017 is to be adjusted annually in such a manner that the amount used for that taxation year is equal to the total of the amount used for the preceding taxation year and the product obtained by multiplying that amount so used by the factor determined by the formula”;

(2) by replacing subparagraphs *a* to *g* of the fourth paragraph by the following subparagraphs:

“(a) the amounts of \$42,705, \$85,405 and \$103,915, wherever they are mentioned in section 750;

“(b) the amount of \$14,890 mentioned in section 752.0.0.1;

“(c) the amounts of \$2,861 and \$4,168 mentioned in section 752.0.1;

“(d) the amount of \$33,755 mentioned in section 752.0.7.1;

“(e) the amounts of \$1,707, \$2,107, \$2,782 and \$3,132, wherever they are mentioned in section 752.0.7.4;

“(f) the amount of \$3,307 mentioned in section 752.0.14; and

“(g) the amounts of \$10,222 and \$2,861, wherever they are mentioned in section 776.41.14.”

(2) Subsection 1 applies from the taxation year 2017.

121. (1) Section 750.3 of the Act is replaced by the following section:

“750.3. Where the amount that results from the adjustment provided for in section 750.2, in respect of an amount mentioned in subparagraph *a* or *d* of the fourth paragraph of that section, is not a multiple of \$5, it must be rounded to the nearest multiple of \$5 or, if it is equidistant from two such multiples, to the higher multiple.

Where the amount that results from the adjustment provided for in section 750.2, in respect of an amount mentioned in any of subparagraphs *b*, *c* and *e* to *g* of the fourth paragraph of that section, is not a multiple of \$1, it must be rounded to the nearest multiple of \$1 or, if it is equidistant from two such multiples, to the higher multiple.”

(2) Subsection 1 applies from the taxation year 2018.

122. (1) Section 752.0.0.1 of the Act is amended by replacing “\$10,215” by “\$14,890”.

(2) Subsection 1 applies from the taxation year 2017.

123. (1) Section 752.0.0.4 of the Act is amended

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

“(a) in respect of a covered benefit attributable to the year and paid by an employer for the first 14 full days following the beginning of the individual’s disability, the lesser of

i. the total of the covered benefits attributable to the year and paid by the employer for the first 14 full days following the beginning of the individual’s disability, and

ii. the amount determined by the formula

$0.90 \times A/B \times C$; and”;

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

“i. $[(0.90 \times D/E) - (F/E)] \times (1 - G)$, and

“ii. $[(0.90 \times H/E) - I] \times (1 - G)$.”;

(3) by replacing subparagraphs *a* to *i* of the second paragraph by the following subparagraphs:

“(a) A is the amount determined under the third paragraph of section 1015.3 that is applicable for the year;

“(b) B is the number of days in the year, excluding Saturdays and Sundays;

“(c) C is the number of days in the year, excluding Saturdays and Sundays, between the day on which the individual’s disability begins and the day on which the individual returns to work, but without exceeding 14 days;

“(d) D is the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with section 119 of the Act respecting the Québec Pension Plan (chapter R-9), the amount that would be the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, if it were adjusted according to the same rules as those applicable to the covered benefit;

“(e) E is the number of days in the year;

“(f) F is the annual gross revenue from a suitable employment or employment held, for the particular day;

“(g) G is the percentage that applies for the purpose of reducing, for the particular day, the covered benefit attributable to the year;

“(h) H is the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2, to the extent that the amount is used by the Commission des normes, de l’équité, de la santé et de la sécurité du travail to establish the weighted net income for the purpose of computing, for the particular day, the covered benefit attributable to the year; and

“(i) I is the lesser of

i. the amount obtained by dividing the annual gross revenue from a suitable employment or employment held, for the particular day, by the number of days in the year, and

ii. the amount obtained by dividing, by the number of days in the year, the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2, to the extent that the amount is used by the Commission des normes, de l’équité, de la santé et de la sécurité du travail to establish the weighted net income from a suitable employment or employment held, for the particular day.”;

(4) by striking out subparagraphs *j* and *k* of the second paragraph;

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

“For the purposes of subparagraph *f* and subparagraph *i* of subparagraph *i* of the second paragraph, “annual gross revenue from a suitable employment or employment held”, for a particular day, means the annual gross revenue relating to a suitable employment or employment held that is taken into account in determining, for the particular day, the covered benefit attributable to the year, including the annual gross revenue from any benefit paid to the individual, because of a termination of employment, under an Act of Québec or of any other jurisdiction, other than the Act respecting industrial accidents and occupational diseases (chapter A-3.001), that is taken into account in determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with section 119 of the Act respecting the Québec Pension Plan, the amount that would be the annual gross revenue relating to a suitable employment or employment held that would be taken into account in determining, for the particular day, the covered benefit attributable to the year if, from the year following that for which that gross revenue was last established, it were adjusted according to the same rules as those applicable to the covered benefit.”;

(6) by striking out the fourth paragraph.

(2) Subsection 1 applies from the taxation year 2018. In addition, where section 752.0.0.4 of the Act applies to the taxation year 2017, it is to be read as if

(1) “an amount equal to the total of” in the portion of the first paragraph before subparagraph *a* were replaced by “an amount equal to 125% of the total of”;

(2) subparagraph *a* of the second paragraph were replaced by the following subparagraph:

“(a) A is 80%”;

(3) subparagraph *j* of the second paragraph were replaced by the following subparagraph:

“(j) J is an amount equal to \$11,635, to the extent that the amount is used by the Commission des normes, de l'équité, de la santé et de la sécurité du travail to establish the weighted net income for the purpose of computing, for the particular day, the covered benefit attributable to the year; and”;

(4) the fourth paragraph were replaced by the following paragraph:

“For the purposes of subparagraph *ii* of subparagraph *k* of the second paragraph, “recognized amounts used to establish the weighted net income from a suitable employment or employment held”, for a particular day, means an amount equal to \$11,635, to the extent that the amount is used by the

Commission des normes, de l'équité, de la santé et de la sécurité du travail to establish the weighted net income from a suitable employment or employment held, for the particular day.”

124. (1) Section 752.0.0.5 of the Act is amended

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

“(a) $\{[(0.90 \times A/B) - (C \times D/B)] \times (1 - E)\} - F/B$; and

“(b) $\{[(0.90 \times G/B) - (C \times H)] \times (1 - E)\} - F/B$.”;

(2) by replacing subparagraphs *a* to *h* of the second paragraph by the following subparagraphs:

“(a) A is the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with section 119 of the Act respecting the Québec Pension Plan (chapter R-9), the amount that would be the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, if it were adjusted according to the same rules as those applicable to the covered benefit;

“(b) B is the number of days in the year;

“(c) C is,

i. if only part of the net income from an employment held is used to reduce, for the particular day, the covered benefit attributable to the year, the percentage attributed under the public compensation plan in respect of that net income, and

ii. in any other case, 100%;

“(d) D is the annual gross revenue from a suitable employment or employment held, for the particular day;

“(e) E is the percentage that applies for the purpose of reducing, for the particular day, the covered benefit attributable to the year;

“(f) F is the amount that is payable for the year as an old age pension or as a disability benefit payable under a plan established by a jurisdiction, other than Québec, that is equivalent to the plan established under the Act respecting the Québec Pension Plan, and that is, in determining, for the particular day, the covered benefit attributable to the year, used by the Société de l'assurance automobile du Québec to reduce the amount of that covered benefit;

“(g) G is the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2, to the extent that the amount is used by the Société de l’assurance automobile du Québec to establish the weighted net income for the purpose of computing, for the particular day, the covered benefit attributable to the year; and

“(h) H is the lesser of

i. the amount obtained by dividing the annual gross revenue from a suitable employment or employment held, for the particular day, by the number of days in the year, and

ii. the amount obtained by dividing, by the number of days in the year, the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2, to the extent that the amount is used by the Société de l’assurance automobile du Québec to establish the weighted net income from a suitable employment or employment held, for the particular day.”;

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

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

“For the purposes of subparagraph *d* and subparagraph *i* of subparagraph *h* of the second paragraph, “annual gross revenue from a suitable employment or employment held”, for a particular day, means the annual gross revenue relating to a suitable employment or employment held that is taken into account in determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with section 119 of the Act respecting the Québec Pension Plan, the amount that would be the annual gross revenue relating to a suitable employment or employment held that would be taken into account in determining, for the particular day, the covered benefit attributable to the year if, from the year for which that gross revenue was last established, it were adjusted according to the same rules as those applicable to the covered benefit.”;

(5) by striking out the fourth paragraph.

(2) Subsection 1 applies from the taxation year 2018. In addition, where section 752.0.0.5 of the Act applies to the taxation year 2017, it is to be read as if

(1) “an amount equal to the aggregate of all amounts” in the portion of the first paragraph before subparagraph *a* were replaced by “an amount equal to 125% of the aggregate of all amounts”;

(2) subparagraph *a* of the second paragraph were replaced by the following subparagraph:

“(a) A is 80%.”;

(3) subparagraph *h* of the second paragraph were replaced by the following subparagraph:

“(h) H is an amount equal to \$11,635, to the extent that the amount is used by the Société de l’assurance automobile du Québec to establish the weighted net income for the purpose of computing, for the particular day, the covered benefit attributable to the year; and”;

(4) the fourth paragraph were replaced by the following paragraph:

“For the purposes of subparagraph ii of subparagraph *i* of the second paragraph, “recognized amounts used to establish the weighted net income from a suitable employment or employment held”, for a particular day, means an amount equal to \$11,635, to the extent that the amount is used by the Société de l’assurance automobile du Québec to establish the weighted net income from a suitable employment or employment held, for the particular day.”

125. (1) Section 752.0.0.6 of the Act is amended

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

“(a) $\{[(A \times B/C) - (D \times E/C)] \times (1 - F)\} - G/C$; and

“(b) $\{[(A \times H/C) - I] \times (1 - F)\} - G/C$.”;

(2) by replacing subparagraphs *a* to *i* of the second paragraph by the following subparagraphs:

“(a) A is the percentage that applies to the income insured by the public compensation plan for the purpose of determining, for the particular day, the covered benefit attributable to the year;

“(b) B is the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with the public compensation plan, the amount that would be the annual gross revenue used as a basis for determining, for the particular day, the covered benefit attributable to the year, if it were adjusted according to the same rules as those applicable to the covered benefit;

“(c) C is the number of days in the year;

“(d) D is,

i. if only a portion of the income, other than the recognized income on the date of the event giving rise to the covered benefit attributable to the year, is taken into consideration in determining, for the particular day, the covered benefit attributable to the year, the percentage attributed under the public compensation plan in respect of that income, and

ii. in any other case, 100%;

“(e) E is the annual gross revenue from a suitable employment or employment held, for the particular day;

“(f) F is the percentage that applies for the purpose of reducing, for the particular day, the covered benefit attributable to the year;

“(g) G is the amount that is, in determining, for the particular day, the covered benefit attributable to the year, used to reduce the amount of that covered benefit;

“(h) H is the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2; and

“(i) I is the amount obtained by multiplying, by the percentage determined for the year under subparagraph *d*, the lesser of

i. the amount obtained by dividing the annual gross revenue from a suitable employment or employment held, for the particular day, by the number of days in the year, and

ii. the amount obtained by dividing, by the number of days in the year, the amount in dollars referred to in section 752.0.0.1 that is applicable for the year, with reference to section 750.2.”;

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

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

“For the purposes of subparagraph *e* and subparagraph *i* of subparagraph *i* of the second paragraph, “annual gross revenue from a suitable employment or employment held”, for a particular day, means the annual gross revenue relating to a suitable employment or employment held, including any other amount that replaces work income, that is taken into account in determining, for the particular day, the covered benefit attributable to the year, or, if the covered benefit attributable to the year is adjusted in accordance with the public compensation plan, the amount that would be the annual gross revenue relating to a suitable employment or employment held that would be taken into account in determining, for the particular day, the covered benefit attributable to the year if, from the year for which that gross revenue was last established, it were adjusted according to the same rules as those applicable to the covered benefit.”

(2) Subsection 1 applies from the taxation year 2017. However, where section 752.0.0.6 of the Act applies to the taxation year 2017, it is to be read as if, in the second paragraph,

(1) subparagraph *h* were replaced by the following subparagraph:

“(h) H is an amount of \$14,544; and”; and

(2) subparagraph ii of subparagraph *i* were replaced by the following subparagraph:

“ii. the amount obtained by dividing \$14,544 by the number of days in the year.”

126. (1) Section 752.0.1 of the Act is amended

(1) by replacing “\$1,860” in paragraph *d* by “\$2,861”;

(2) by replacing “\$2,705” in the portion of paragraph *f* before subparagraph *i* by “\$4,168”.

(2) Subsection 1 applies from the taxation year 2017.

127. (1) Section 752.0.2 of the Act is amended by replacing the first paragraph by the following paragraph:

“The amount to which an individual is entitled under section 752.0.1 in respect of one person for a taxation year must be reduced by the amount that is the person’s income for the year under this Part or, if the person was not resident in Canada throughout the year, that would be the person’s income for the year under this Part, computed as if the person had been resident in Québec and in Canada throughout the year or, if the person died in the year, throughout the period of the year preceding the time of death.”

(2) Subsection 1 applies from the taxation year 2017.

128. (1) Section 752.0.7.1 of the Act is amended

(1) by striking out the definition of “age of eligibility”;

(2) by replacing “\$29,290” in the definition of “family income” by “\$33,755”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2016.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2017.

129. (1) Section 752.0.7.4 of the Act is amended

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

“**752.0.7.4.** An individual may deduct from the individual’s tax otherwise payable for a taxation year under this Part an amount equal to the amount obtained by multiplying the percentage specified in section 750.1 for the year by the amount by which the aggregate of the following amounts exceeds 18.75% of the individual’s family income for the year.”;

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

“i. \$1,707, if the following conditions are met:”;

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

“i.1. \$2,107, if the individual meets the conditions set out in subparagraphs 2 and 3 of subparagraph i and”;

(4) by replacing subparagraphs ii and iii of paragraph *a* by the following subparagraphs:

“ii. the lesser of \$2,782 and the amount obtained by multiplying the amount referred to in section 752.0.8 in respect of the individual for the year by 125%; and

“iii. where the individual has reached 65 years of age before the end of the year, \$3,132; and”;

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

“i. \$1,707, if the following conditions are met:”;

(6) by replacing the portion of subparagraph i.1 of paragraph *b* before subparagraph 1 by the following:

“i.1. \$2,107, if the eligible spouse meets the conditions set out in subparagraphs 2 and 3 of subparagraph i and”;

(7) by replacing subparagraphs ii and iii of paragraph *b* by the following subparagraphs:

“ii. the lesser of \$2,782 and the amount obtained by multiplying the amount referred to in section 752.0.8 in respect of the eligible spouse for the year by 125%; and

“iii. where the eligible spouse has reached 65 years of age before the end of the year, \$3,132.”

(2) Paragraphs 1 to 3, 5 and 6 of subsection 1 and paragraphs 4 and 7 of subsection 1, where the latter paragraphs replace subparagraph ii of paragraphs *a* and *b* of section 752.0.7.4 of the Act, apply from the taxation year 2017.

(3) Paragraphs 4 and 7 of subsection 1, where they replace subparagraph iii of paragraphs *a* and *b* of section 752.0.7.4 of the Act, apply from the taxation year 2016. However, where section 752.0.7.4 of the Act applies to the taxation year 2016, it is to be read as if “\$3,132” in subparagraph iii of paragraphs *a* and *b* were replaced by “\$2,200”.

130. (1) Section 752.0.10.0.2 of the Act is amended by replacing paragraph *d* of the definition of “excluded work income” by the following paragraph:

“(d) an amount included in computing the individual’s income for the year from an office or employment with an employer, where the individual does not deal at arm’s length with the employer or, if the latter is a partnership, with any of its members;”.

(2) Subsection 1 has effect from 1 January 2016.

131. (1) Section 752.0.10.0.3 of the Act is amended

(1) by replacing “63” in the portion before the formula in the first paragraph by “62”;

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

“(c) C is

i. for a taxation year preceding the taxation year 2017, the percentage specified in the first paragraph of section 358.0.3 that is applicable for the year, or

ii. for a taxation year following the taxation year 2016, zero; and”;

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

“ii. for the taxation year 2017, the lesser of the excess work income limit of a 63-year-old worker applicable for the year and the amount by which the individual’s eligible work income for the year that is attributable to the period in the year throughout which the individual is 63 years of age exceeds \$5,000, or”;

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

“iii. for a taxation year following the taxation year 2017, the lesser of the excess work income limit of a 63-year-old worker applicable for the year and the aggregate of

(1) the lesser of \$4,000 and the amount by which the individual's eligible work income for the year that is attributable to the period in the year throughout which the individual is 62 years of age exceeds \$5,000, and

(2) the amount by which the individual's eligible work income for the year that is attributable to the period in the year throughout which the individual is 63 years of age exceeds the amount by which \$5,000 exceeds the individual's eligible work income for the year that is attributable to the period in the year throughout which the individual is 62 years of age; or”;

(5) by adding the following subparagraph after subparagraph *d* of the third paragraph:

“(e) where the individual is 62 years of age at the end of the year or, if the individual dies in the year, on the date of the individual's death,

i. for a taxation year preceding the taxation year 2018, zero, or

ii. for a taxation year following the taxation year 2017, the lesser of \$4,000 and the amount by which the individual's eligible work income for the year that is attributable to the period in the year throughout which the individual is 62 years of age exceeds \$5,000.”

(2) Paragraphs 1 and 3 to 5 of subsection 1 apply from the taxation year 2018.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2017.

132. (1) Section 752.0.10.1 of the Act, amended by section 189 of chapter 1 of the statutes of 2017, is again amended, in the first paragraph,

(1) by replacing “paragraph *a* or *b*” in paragraph *b* of the definition of “qualified property” by “subparagraph i or ii of paragraph *b*”;

(2) by replacing “paragraph *c* or *d*” in paragraph *d* of the definition of “qualified property” by “any of subparagraphs iii to v of paragraph *b*”;

(3) by replacing the portion of the definition of “patronage gift” before paragraph *a* by the following:

““patronage gift” of an individual, other than a trust, means a gift of money made in the same taxation year by the individual after 3 July 2013, or by the individual's succession after 31 December 2015, to an eligible cultural donee if the eligible amount of the gift is”;

(4) by replacing paragraph *b* of the definition of “excepted gift” by the following paragraph:

“(b) where the individual is the succession of a particular individual that is a graduated rate estate, the particular individual dealt at arm's length with the donee immediately before the particular individual's death and the succession

of the particular individual that is a graduated rate estate deals at arm's length with the donee (determined without reference to paragraph *b* of section 18), or, in any other case, the individual deals at arm's length with the donee; and”;

(5) by replacing the portion of the definition of “major cultural gift” before paragraph *a* by the following:

““major cultural gift” of an individual, other than a trust, for a particular taxation year means the eligible amount of a gift of money, up to \$25,000, made by the individual after 3 July 2013 or by the individual's succession after 31 December 2015, provided the gift is made before 1 January 2018 to an eligible cultural donee and the following conditions are met in respect of the gift:”;

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

“(b) the conditions set out in section 752.0.10.2.1 are met in respect of the eligible amount of the gift; and”;

(7) by adding the following paragraph after paragraph *b* of the definition of “major cultural gift”:

“(c) the gift is made

i. by the individual in the particular year or in any of the four preceding taxation years,

ii. by the individual in the year of the individual's death if the particular year is the taxation year that precedes the year of the death, or

iii. by the individual's succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year;”;

(8) by striking out the definition of “total religious order gifts”;

(9) by replacing the definition of “total charitable gifts” by the following definition:

““total charitable gifts” of an individual for a particular taxation year means the aggregate of all amounts each of which is the eligible amount of a gift (other than a gift all or part of the eligible amount of which is included in the total cultural gifts, total gifts of qualified property or total musical instrument gifts of an individual for a taxation year or a gift the eligible amount of which is taken into account in computing the amount an individual deducts under section 752.0.10.6.2, for a taxation year), in respect of which the following conditions are met:

(a) the gift is made to a qualified donee;

(b) the gift is made,

i. where the individual is not a trust,

(1) by the individual in the particular year or in any of the five preceding taxation years,

(2) by the individual in the year in which the individual dies if the particular year is the taxation year that precedes the taxation year in which the individual dies, or

(3) by the individual's succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year, or

ii. where the individual is a trust,

(1) by the trust in the particular year or in any of the five preceding taxation years,

(2) by the trust if the trust is an individual's succession, if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is a taxation year in which the succession is the succession of the individual that is a graduated rate estate and that precedes the taxation year in which the gift is made, or

(3) by the trust if the end of the particular year is determined under subparagraph *a* of the first paragraph of section 663.0.1 because of an individual's death, if the gift is made after the particular year and on or before the trust's filing-due date for the particular year and if the subject of the gift is property that is held by the trust at the time of the individual's death or is property that was substituted for that property; and

(c) the conditions of section 752.0.10.2 are met in respect of the eligible amount of the gift;";

(10) by replacing the definition of "total gifts of qualified property" by the following definition:

““total gifts of qualified property” of an individual for a particular taxation year means the aggregate of all amounts each of which is the eligible amount of a gift (other than a gift all or part of the eligible amount of which is included in the total cultural gifts of an individual for a taxation year), in respect of which the following conditions are met:

(a) the fair market value of the gift is certified by the Minister of Sustainable Development, Environment and Parks;

(b) the gift is made to any of the following entities that is, except in the case provided for in subparagraph v, a qualified donee:

i. a registered charity whose mission in Québec, at the time of the gift, consists mainly, in the opinion of the Minister of Sustainable Development, Environment and Parks, in the conservation of the ecological heritage, if the subject of the gift is property referred to in paragraph *a* or *b* of the definition of “qualified property”,

ii. the State, Her Majesty in right of Canada, a municipality in Québec or a municipal or public body performing a function of government in Québec, if the subject of the gift is property referred to in paragraph *a* or *b* of the definition of “qualified property”,

iii. a registered charity one of whose main missions, at the time of the gift, consists, in the opinion of the Minister of the Environment of Canada, in the conservation and protection of Canada’s environmental heritage and that is, in the opinion of the Minister of Sustainable Development, Environment and Parks, an appropriate donee in the circumstances, if the subject of the gift is property referred to in paragraph *c* or *d* of the definition of “qualified property”,

iv. the State, Her Majesty in right of Canada or a province, other than Québec, a municipality in Canada or a municipal or public body performing a function of government in Canada, if the subject of the gift is property referred to in paragraph *c* or *d* of the definition of “qualified property”, or

v. the United States, any state of that country, a municipality in the United States or a municipal or public body performing a function of government in the United States, if the subject of the gift is property referred to in paragraph *c* or *d* of the definition of “qualified property”;

(c) the gift is made,

i. where the individual is not a trust,

(1) by the individual in the particular year or in any of the 10 preceding taxation years,

(2) by the individual in the year in which the individual dies if the particular year is the taxation year that precedes the taxation year in which the individual dies, or

(3) by the individual’s succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year, or

ii. where the individual is a trust,

(1) by the trust in the particular year or in any of the 10 preceding taxation years,

(2) by the trust if the trust is an individual's succession, if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is a taxation year in which the succession is the succession of the individual that is a graduated rate estate and that precedes the taxation year in which the gift is made, or

(3) by the trust if the end of the particular year is determined under subparagraph *a* of the first paragraph of section 663.0.1 because of an individual's death, if the gift is made after the particular year and on or before the trust's filing-due date for the particular year and if the subject of the gift is property that is held by the trust at the time of the individual's death or is property that was substituted for that property; and

(*d*) the conditions of section 752.0.10.2 are met in respect of the eligible amount of the gift;”;

(11) by replacing the definition of “total cultural gifts” by the following definition:

““total cultural gifts” of an individual for a particular taxation year means the aggregate of all amounts each of which is the eligible amount of a gift (other than a gift all or part of the eligible amount of which is included in the total musical instrument gifts of an individual for a taxation year), in respect of which the following conditions are met:

(*a*) the gift is made to

i. an institution or public authority referred to in subparagraph *a* of the third paragraph of section 232, where the subject of the gift is a cultural property described in that paragraph, or

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

(*b*) the gift is made,

i. where the individual is not a trust,

(1) by the individual in the particular year or in any of the five preceding taxation years,

(2) by the individual in the year in which the individual dies if the particular year is the taxation year that precedes the taxation year in which the individual dies, or

(3) by the individual's succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year, or

ii. where the individual is a trust,

(1) by the trust in the particular year or in any of the five preceding taxation years,

(2) by the trust if the trust is an individual's succession, if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is a taxation year in which the succession is the succession of the individual that is a graduated rate estate and that precedes the taxation year in which the gift is made, or

(3) by the trust if the end of the particular year is determined under subparagraph *a* of the first paragraph of section 663.0.1 because of an individual's death, if the gift is made after the particular year and on or before the trust's filing-due date for the particular year and if the subject of the gift is property that is held by the trust at the time of the individual's death or is property that was substituted for that property; and

(c) the conditions of section 752.0.10.2 are met in respect of the eligible amount of the gift;"

(12) by replacing the definition of "total patronage gifts" by the following definition:

"total patronage gifts" of an individual, other than a trust, for a particular taxation year means the aggregate of all amounts each of which is the eligible amount of a patronage gift (other than a gift the eligible amount of which was taken into account in computing the amount deducted by an individual for a taxation year under section 752.0.10.6 or 752.0.10.6.1), in respect of which the following conditions are met:

(a) the gift is made

i. by the individual in the particular year or in any of the five preceding taxation years,

ii. by the individual in the year in which the individual dies if the particular year is the taxation year that precedes the taxation year in which the individual dies, or

iii. by the individual's succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year; and

(b) the conditions of section 752.0.10.2.2 are met in respect of the eligible amount of the gift;"

(13) by replacing the definition of “total musical instrument gifts” by the following definition:

““total musical instrument gifts” of an individual for a particular taxation year means the aggregate of all amounts each of which is the eligible amount of a gift the subject of which is a musical instrument, in respect of which the following conditions are met:

(a) the gift is made to any of the following entities that is situated in Québec:

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

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

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

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

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

(b) the gift is made,

i. where the individual is not a trust,

(1) by the individual in the particular year or in any of the five preceding taxation years,

(2) by the individual in the year in which the individual dies if the particular year is the taxation year that precedes the taxation year in which the individual dies, or

(3) by the individual’s succession if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is the taxation year in which the individual dies or the preceding taxation year, or

ii. where the individual is a trust,

(1) by the trust in the particular year or in any of the five preceding taxation years,

(2) by the trust if the trust is an individual's succession, if section 752.0.10.10.0.1 applies in respect of the gift and if the particular year is a taxation year in which the succession is the succession of the individual that is a graduated rate estate and that precedes the taxation year in which the gift is made, or

(3) by the trust if the end of the particular year is determined under subparagraph *a* of the first paragraph of section 663.0.1 because of an individual's death, if the gift is made after the particular year and on or before the trust's filing-due date for the particular year and if the subject of the gift is property that is held by the trust at the time of the individual's death or is property that was substituted for that property; and

(c) the conditions of paragraph *b* of section 752.0.10.2 are met in respect of the eligible amount of the gift;”.

(2) Subsection 1 applies from the taxation year 2016. In addition, where section 752.0.10.1 of the Act applies to a taxation year preceding the taxation year 2016 in respect of a gift made after 10 February 2014, it is to be read as if “paragraph *c* or *d*” in paragraph *d* of the definition of “qualified property” in the first paragraph were replaced by “any of paragraphs *c* to *e*”.

133. (1) Section 752.0.10.2 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount was not taken into account in determining an amount that was deducted under section 752.0.10.6 in computing an individual's tax payable under this Part for a taxation year, or in determining an amount that was deducted under section 118.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in computing an individual's tax payable under that Act for a taxation year in respect of which the individual was not subject to tax under this Part.”

(2) Subsection 1 applies from the taxation year 2016.

134. (1) Section 752.0.10.3 of the Act, amended by section 190 of chapter 1 of the statutes of 2017, is again amended by replacing “in paragraph *a*” in subparagraph *b* of the first paragraph by “in subparagraph *i* of paragraph *a*”.

(2) Subsection 1 applies from the taxation year 2016.

135. (1) Section 752.0.10.4.0.1 of the Act is amended by striking out “, 752.0.10.13”.

(2) Subsection 1 applies from the taxation year 2016.

136. (1) Section 752.0.10.4.0.1.1 of the Act is amended by replacing “752.0.10.13” in paragraphs *a* and *b* by “752.0.10.14”.

(2) Subsection 1 applies from the taxation year 2016.

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

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

(2) Subsection 1 applies from the taxation year 2016.

138. (1) Section 752.0.10.7.1 of the Act is amended by replacing subparagraphs i and ii of paragraph *a* by the following subparagraphs:

“i. in the case of a gift whose subject is a property described in paragraph *a* or *b* of the definition of “qualified property” in the first paragraph of section 752.0.10.1, the land referred to in that paragraph *a* or the land encumbered with a servitude referred to in that paragraph *b*, as the case may be, has undeniable ecological value and, where such is the case, that the mission in Québec of a charity referred to in subparagraph i of paragraph *b* of the definition of “total gifts of qualified property” in the first paragraph of section 752.0.10.1 consists mainly, at the time of the gift, in the conservation of the ecological heritage, and

“ii. in the case of a gift whose subject is a property described in paragraph *c* or *d* of the definition of “qualified property” in the first paragraph of section 752.0.10.1, the land referred to in that paragraph *c* or the land encumbered with a servitude referred to in that paragraph *d*, as the case may be, has undeniable ecological value, the preservation and conservation of which is important to the protection and development of Québec’s ecological heritage and, where such is the case, that a charity referred to in subparagraph iii of paragraph *b* of the definition of “total gifts of qualified property” in the first paragraph of section 752.0.10.1 is an appropriate donee in the circumstances; and”.

(2) Subsection 1 applies from the taxation year 2016.

139. (1) Section 752.0.10.9 of the Act is replaced by the following section:

“752.0.10.9. The gift that an individual who died before 1 January 2016 is deemed to have made at a time before the death, under this section or any of sections 752.0.10.10, 752.0.10.10.3, 752.0.10.10.5, 752.0.10.13 and 752.0.10.14 (as they read for the taxation year in which the death occurred), is deemed, for the purposes of this chapter, not to have been made by any other taxpayer or at any other time.”

(2) Subsection 1 applies from the taxation year 2016.

140. (1) Section 752.0.10.10 of the Act is replaced by the following section:

“752.0.10.10. For the purposes of this Part, except for this paragraph and section 752.0.10.10.2, the rules set out in the second paragraph apply in respect of a gift if a succession arises on and as a consequence of the death after 31 December 2015 of an individual and the gift is

(a) made by the individual by the individual’s will;

(b) deemed under section 752.0.10.10.2 to have been made in respect of the death of the individual; or

(c) made by the succession.

The rules to which the first paragraph refers, in respect of a gift, are as follows:

(a) the gift is deemed to be made by the succession and not by any other taxpayer; and

(b) subject to section 752.0.10.16, the gift is deemed to be made at the time that the property that is the subject of the gift is transferred to the donee and not at any other time.”

(2) Subsection 1 applies from the taxation year 2016.

141. (1) The Act is amended by inserting the following section after section 752.0.10.10:

“752.0.10.10.0.1. A gift in respect of which this section applies is a gift made by the succession that is a graduated rate estate, or by a succession that would be the succession that is a graduated rate estate if section 646.0.1 were read without reference to its paragraph *a*, of an individual whose death occurs after 31 December 2015, provided the gift is made no more than 60 months after the death, and either

(a) the gift is deemed under section 752.0.10.10.2 to be made in respect of the individual’s death; or

(b) the subject of the gift is property acquired by the succession on and as a consequence of the individual's death or is property that was substituted for that property.”

(2) Subsection 1 applies from the taxation year 2016.

142. (1) Section 752.0.10.10.2 of the Act is replaced by the following section:

“752.0.10.10.2. For the purposes of this chapter, money or a negotiable instrument transferred to a qualified donee is deemed to be property that is the subject of a gift, in respect of an individual's death, made to the qualified donee, if the death occurs after 31 December 2015, the transfer is made as a consequence of the death, and the transfer is

(a) a transfer—other than a transfer the amount of which is not included in computing the income of the individual or the individual's succession for a taxation year but would have been included, but for section 430, in computing the income of the individual or the individual's succession for a taxation year if the transfer had been made to the individual's legal representative for the benefit of the individual's succession—made

i. solely because of the obligations under a life insurance policy under which, immediately before the individual's death, the individual's life was insured and the individual's consent would have been required to change the recipient of the transfer, and

ii. from an insurer to a person that is the qualified donee and that was, immediately before the individual's death, neither a policyholder under the policy nor an assignee of the individual's interest under the policy; or

(b) a transfer made

i. solely because of the donee's right or interest as a beneficiary under an arrangement (other than an arrangement of which a licensed annuities provider is the issuer or carrier)

(1) that is a registered retirement savings plan or registered retirement income fund or that was, immediately before the death, a tax-free savings account, and

(2) under which the individual was, immediately before the individual's death, the annuitant or holder, and

ii. from the arrangement to the qualified donee.”

(2) Subsection 1 applies from the taxation year 2016.

143. (1) Sections 752.0.10.10.3 to 752.0.10.10.5 of the Act are repealed.

(2) Subsection 1 applies from the taxation year 2016.

144. (1) Sections 752.0.10.13 and 752.0.10.14 of the Act are replaced by the following sections:

“752.0.10.13. The rules set out in section 752.0.10.14 apply in respect of a gift made by an individual of a work of art that meets any of the following conditions if the gift is described in the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1 or if the work of art is a cultural property described in section 232:

(a) the work of art was created by the individual and is in the individual’s inventory;

(b) the work of art was acquired by the individual under circumstances where section 430 applied; or

(c) if the individual is a succession that arose on and as a consequence of the death of another individual who created the work of art, the work of art was in the other individual’s inventory immediately before the death.

“752.0.10.14. The rules to which section 752.0.10.13 refers, in respect of a gift of a work of art made by an individual, are as follows:

(a) in the case of a gift of a work of art that is a cultural property described in section 232,

i. if at the time the gift is made the fair market value of the work of art that is the subject of the gift exceeds its cost amount to the individual, the individual is deemed to receive at that time proceeds of disposition in respect of the work of art equal to the greater of its cost amount to the individual at that time and the amount of the advantage, if any, in respect of the gift, and

ii. if the individual is the succession that is the graduated rate estate of a particular individual who created the work of art that is the subject of the gift and at the time immediately before the particular individual’s death the fair market value of the work of art exceeds its cost amount to the particular individual, the particular individual is deemed to receive at that time proceeds of disposition in respect of the work of art equal to its cost amount to the particular individual at that time and the succession is deemed to have acquired the work of art at a cost equal to those proceeds of disposition; and

(b) in the case of a gift of a work of art that is property described in the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1,

i. if at the time the gift is made the fair market value of the work of art that is the subject of the gift exceeds its cost amount to the individual and an amount is designated, in respect of the gift, in accordance with subparagraph i of paragraph *b* of subsection 7.1 of section 118.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the lesser of the fair market value of the work of art otherwise determined and the greater of the amount of the advantage in respect of the gift, the cost amount to the individual of the work of art and the amount designated in respect of the gift in accordance with that subsection 7.1 is deemed to be the individual's proceeds of disposition of the work of art and, for the purposes of section 7.21, the fair market value of the work of art, and

ii. if the individual is the succession that is the graduated rate estate of a particular individual who created the work of art that is the subject of the gift, at the time immediately before the particular individual's death the fair market value of the work of art exceeds its cost amount to the particular individual, and an amount is designated, in accordance with subsection 7.1 of section 118.1 of the Income Tax Act, in respect of the gift, the lesser of the fair market value of the work of art otherwise determined and the greater of the cost amount to the particular individual of the work of art and the amount designated in respect of the gift in accordance with that subsection 7.1 is deemed to be the value of the work of art at the time of the death and the cost to the succession of the work of art.

Chapter V.2 of Title II of Book I applies in relation to a designation made under subsection 7.1 of section 118.1 of the Income Tax Act.”

(2) Subsection 1 applies from the taxation year 2016.

145. (1) Section 752.0.10.16 of the Act, amended by section 196 of chapter 1 of the statutes of 2017, is again amended by striking out “and section 752.0.10.9” in the portion before paragraph *a*.

(2) Subsection 1 applies from the taxation year 2016.

146. (1) Section 752.0.10.19 of the Act, amended by section 197 of chapter 1 of the statutes of 2017, is replaced by the following section:

“752.0.10.19. Subject to sections 752.0.10.21 and 752.0.10.22, if an individual has granted an option to a qualified donee in a taxation year, no amount in respect of the option is to be included in computing the total charitable gifts, total cultural gifts, total gifts of qualified property or total musical instrument gifts of an individual for a taxation year.”

(2) Subsection 1 applies from the taxation year 2016.

147. (1) Section 752.0.11 of the Act is amended by replacing subparagraph *a* of the second paragraph by the following subparagraph:

“(a) A is a rate of 20%;”.

(2) Subsection 1 applies from the taxation year 2017.

148. (1) Section 752.0.11.1 of the Act is amended by replacing subparagraph *i* of paragraph *q* by the following subparagraph:

“i. for reasonable expenses, other than expenses described in subparagraph *ii* but including legal fees and insurance premiums, incurred to locate a compatible donor and to arrange for the transplant, and”.

(2) Subsection 1 has effect from 1 January 2016.

149. (1) Section 752.0.13.1 of the Act, amended by section 199 of chapter 1 of the statutes of 2017, is again amended by replacing the first paragraph by the following paragraph:

“An individual may deduct from the individual’s tax otherwise payable for a taxation year under this Part an amount equal to the amount obtained by multiplying 20% by the amount of the reasonable travel and lodging expenses paid in the year by either the individual or the individual’s legal representatives, in respect of a particular person referred to in section 752.0.13.2, so that the particular person may obtain in Québec medical care not available in Québec within 200 kilometres of the locality where the particular person lives, or in respect of such a particular person and the person accompanying the particular person so that the latter may obtain such medical care where, in the latter case, the particular person is under 18 years of age in the year or is unable to travel unassisted if, in either case, the individual files with the Minister the prescribed form whereon a physician certifies that care equivalent or virtually equivalent to that obtained is not available in Québec within 200 kilometres of the locality where the particular person lives and, where such is the case, that the particular person is unable to travel unassisted.”

(2) Subsection 1 applies in respect of travel and lodging expenses incurred after 30 June 2016, except where it replaces “the percentage specified in section 750.1 for the year” in the first paragraph of section 752.0.13.1 of the Act by “20%”, in which case it applies from the taxation year 2017.

150. (1) Section 752.0.13.1.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“An individual who moves from a former residence situated in Québec at which the individual ordinarily lived to a new residence, at which the individual ordinarily lives, situated in Québec not more than 80 kilometres from a health establishment situated in Québec so that a particular person referred to in section 752.0.13.2 may obtain, at that establishment, medical care not available

in Québec within 200 kilometres of the locality in which the former residence of the individual is situated, may deduct from the individual's tax otherwise payable for a taxation year under this Part an amount equal to the amount obtained by multiplying 20% by the amount of the moving expenses referred to in the second paragraph paid in the year by the individual or the individual's legal representatives in respect of the move, if the individual files with the Minister the prescribed form whereon a physician certifies that the medical care may reasonably be expected to last at least six months and whereon that physician and the director general, or the director general's delegate in that respect, of a health establishment that is in the area in which the former residence of the individual is situated certify that care equivalent or virtually equivalent to that obtained is not available in Québec within 200 kilometres of the locality where the former residence of the individual is situated."

(2) Subsection 1 applies in respect of moving expenses incurred after 30 June 2016, except where it replaces "the percentage specified in section 750.1 for the year" in the first paragraph of section 752.0.13.1.1 of the Act by "20%", in which case it applies from the taxation year 2017.

151. (1) Section 752.0.14 of the Act is amended by replacing "\$2,295" in the portion before subparagraph *a* of the first paragraph by "\$3,307".

(2) Subsection 1 applies from the taxation year 2017.

152. (1) Section 752.0.18.15 of the Act, amended by section 200 of chapter 1 of the statutes of 2017, is again amended by replacing "the percentage specified in section 750.1 for the year" in the portion before subparagraph *a* of the first paragraph by "20%".

(2) Subsection 1 applies from the taxation year 2017.

153. (1) Section 752.0.27 of the Act is amended

(1) by replacing subparagraph 3 of subparagraph ii of subparagraph *b.0.1* of the first paragraph by the following subparagraph:

"(3) 63 years of age or over, if the calendar year in which the individual became a bankrupt is the year 2017, or";

(2) by adding the following subparagraph after subparagraph 3 of subparagraph ii of subparagraph *b.0.1* of the first paragraph:

"(4) 62 years of age or over, if the calendar year in which the individual became a bankrupt follows the year 2017,";

(3) by adding the following subparagraph after subparagraph iii of subparagraph *b.0.1* of the first paragraph:

“iv. the amount of \$4,000, specified in subparagraph 1 of subparagraph iii of subparagraph *d* of the third paragraph of section 752.0.10.0.3 and subparagraph ii of subparagraph *e* of that paragraph, were replaced by the proportion of \$4,000 that the number of days in the taxation year is of the number of days in the calendar year; and”;

(4) by replacing “i and iii” in the portion of the third paragraph before subparagraph *a* by “i, iii and iv”;

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

“(c) 63 years of age, for the calendar year 2017; or”;

(6) by adding the following subparagraph after subparagraph *c* of the third paragraph:

“(d) 62 years of age, for a calendar year following the year 2017.”

(2) Subsection 1 applies from 1 January 2018.

154. (1) Section 766.3.3 of the Act is amended by replacing paragraphs *b* and *c* of the definition of “split income” by the following paragraphs:

“(b) a portion of an amount included because of the application of paragraph *f* of section 600 in computing the individual’s income for the year, to the extent that the portion is not included in an amount described in paragraph *a* and can reasonably be considered to be income derived

i. from the provision of property or services by a partnership or trust to, or in support of, a business carried on by

(1) a person who is related to the individual at any time in the year,

(2) a corporation of which a person related to the individual is a specified shareholder at any time in the year, or

(3) a professional corporation of which a person related to the individual is a shareholder at any time in the year, or

ii. from a business carried on by a partnership or trust or from the rental of property by a partnership or trust, if a person who is related to the individual at any time in the year is actively engaged on a regular basis in the activities of the partnership or trust that are carried on for earning income from a business or the rental of property, or in the case of a partnership, has an interest in the partnership directly or indirectly through one or more other partnerships; or

“(c) a portion of an amount included because of the application of section 662 or 663 in respect of a trust (other than a mutual fund trust or a trust referred to in section 851.25) in computing the individual’s income for the year, to the extent that the portion is not included in an amount described in paragraph *a* and can reasonably be considered

i. to be in respect of taxable dividends received in respect of shares of the capital stock of a corporation (other than shares listed on a designated stock exchange or shares of a mutual fund corporation),

ii. to arise because of the application of Division IV of Chapter II of Title III of Book III in respect of the ownership by any person of shares of the capital stock of a corporation (other than shares listed on a designated stock exchange),

iii. to be income derived from the provision of property or services by a partnership or trust to, or in support of, a business carried on by

(1) a person who is related to the individual at any time in the year,

(2) a corporation of which a person related to the individual is a specified shareholder at any time in the year, or

(3) a professional corporation of which a person related to the individual is a shareholder at any time in the year, or

iv. to be income derived from a business carried on by a partnership or trust or from the rental of property by a partnership or trust, if a person who is related to the individual at any time in the year is actively engaged on a regular basis in the activities of the partnership or trust that are carried on for earning income from a business or the rental of property.”

(2) Subsection 1 applies from the taxation year 2014.

155. (1) Section 771.1 of the Act, amended by section 212 of chapter 1 of the statutes of 2017, is again amended, in the first paragraph,

(1) by replacing the portion of the definition of “specified partnership loss” before paragraph *a* by the following:

““specified partnership loss” of a corporation for a taxation year means the aggregate of all amounts each of which is an amount, in respect of a partnership of which the corporation is a member in the year that would be a primary and manufacturing sectors corporation for the year if the partnership were a corporation for its last fiscal period that ends in the year, if that fiscal period were its taxation year and if its proportion of primary and manufacturing sectors activities for the year were determined without reference to the activities of any other partnership of which it is a member, or that is a partnership described in section 771.2.1.2.2 for the year, equal to the aggregate of”;

(2) by replacing the portion of paragraph *a* of the definition of “specified partnership income” before subparagraph *i* by the following:

“(a) the aggregate of all amounts each of which is an amount, in respect of a partnership of which the corporation is a member in the year that would be a primary and manufacturing sectors corporation for the year if the partnership were a corporation for its last fiscal period that ends in the year, if that fiscal period were its taxation year and if its proportion of primary and manufacturing sectors activities for the year were determined without reference to the activities of any other partnership of which it is a member, or that is a partnership described in section 771.2.1.2.2 for the year, equal to the lesser of”;

(3) by replacing the definition of “primary and manufacturing sectors corporation” by the following definition:

““primary and manufacturing sectors corporation” for a taxation year that begins after 31 December 2016 means a corporation whose proportion of primary and manufacturing sectors activities for the taxation year is greater than 25%”;

(4) by replacing the definition of “manufacturing corporation” by the following definition:

““manufacturing corporation” for a taxation year that begins before 1 January 2017 means a corporation whose proportion of manufacturing or processing activities for the taxation year is greater than 25%”.

(2) Paragraphs 1 and 2 of subsection 1 apply to a taxation year that begins after 31 December 2016.

(3) Paragraphs 3 and 4 of subsection 1 have effect from 1 January 2017.

156. (1) Section 771.2.1.2 of the Act, amended by section 213 of chapter 1 of the statutes of 2017, is again amended by replacing the portion of paragraph *a* before subparagraph *i* by the following:

“(a) the amount by which the aggregate of all amounts each of which is, where the corporation would be a primary and manufacturing sectors corporation for the year if its proportion of primary and manufacturing sectors activities for the year were determined without reference to the activities of any partnership of which it is a member, or if it is described in section 771.2.1.2.1 for the year, the income of the corporation for the year from an eligible business carried on by it in Canada, other than the income of the corporation for the year from a business carried on by it as a member of a partnership, and the specified partnership income of the corporation for the year exceeds the aggregate of”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

157. (1) Sections 771.2.1.2.1 and 771.2.1.2.2 of the Act, enacted by section 214 of chapter 1 of the statutes of 2017, are replaced by the following sections:

“771.2.1.2.1. A corporation to which paragraph *a* of section 771.2.1.2 refers for a particular taxation year is a corporation in respect of which the number of remunerated hours referred to in either of the following subparagraphs exceeds 5,000:

(*a*) the number of remunerated hours determined in respect of the employees of the corporation for the particular year; or

(*b*) the number of remunerated hours determined in respect of the employees of the corporation and of those of the corporations with which the corporation is associated in the particular year, for the taxation years of those corporations that ended in the calendar year preceding the calendar year in which the particular year ends.

For the purposes of the first paragraph,

(*a*) the number of remunerated hours determined in respect of a person that may be taken into account for a week may not exceed 40;

(*b*) subject to the third paragraph, the remunerated hours may be taken into account only to the extent that they were paid; and

(*c*) the remunerated hours may be taken into account for a taxation year only to the extent that the expenditure relating to those hours was incurred in that year.

For the purposes of this section, a person who holds, directly or indirectly, shares of the capital stock of a corporation carrying more than 50% of the votes that could be cast under any circumstances at the annual meeting of shareholders of the corporation is considered to be an employee of the corporation and the unremunerated hours of work the person carries out in a week to actively engage in the corporation's activities are deemed to be remunerated hours in respect of that person for which the expenditure was incurred in that week, provided that the hours are recorded in a register that the corporation keeps in that respect and according to the formula

$1.1 \times A$.

In the formula in the third paragraph, *A* is the number of unremunerated hours of work carried out by the person in a week, without exceeding 36.36.

For the purposes of subparagraph *a* of the first paragraph, where the number of days in the corporation's particular taxation year is less than 365, the number of remunerated hours determined in respect of the corporation's employees in

the particular year is deemed to be equal to the product obtained by multiplying that number otherwise determined by the proportion that 365 is of the number of days in the particular taxation year.

“771.2.1.2.2. A partnership of which a corporation that is carrying on an eligible business in a taxation year as a member of the partnership is a member and to which paragraph *a* of the definition of “specified partnership income” in the first paragraph of section 771.1 refers for the taxation year is a partnership whose number of remunerated hours determined in respect of its employees for a fiscal year that ends in the taxation year exceeds 5,000.

For the purposes of this section,

(a) the number of remunerated hours determined in respect of a person that may be taken into account for a week may not exceed 40;

(b) the remunerated hours may be taken into account only to the extent that they were paid; and

(c) the remunerated hours may be taken into account for a fiscal year only to the extent that the expenditure relating to those hours was incurred in that fiscal year.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

158. (1) Section 772.7 of the Act is amended, in subparagraph *b* of the first paragraph,

(1) by inserting “, 726.43” after “726.35” in subparagraph *i*;

(2) by inserting “, 726.42” after “726.33” in subparagraph *ii*.

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

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

(1) by inserting “, 726.43” after “726.35” in subparagraph 1;

(2) by inserting “, 726.42” after “726.33” in subparagraph 2.

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

160. (1) Section 772.11 of the Act is amended, in subparagraph *ii* of subparagraph *a* of the second paragraph,

(1) by inserting “, 726.43” after “726.35” in subparagraph 1;

(2) by inserting “, 726.42” after “726.33” in subparagraph 2.

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

161. Section 776.19 of the Act is amended by replacing the first paragraph by the following paragraph:

“For the purposes of this Part, where in a taxation year a person has acquired and is the first holder of a share in respect of which an amount was designated by a corporation under subsection 4 of section 192 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the cost to the person of that share is deemed to be that provided for in the second paragraph.”

162. (1) Section 776.41.14 of the Act is amended

(1) by replacing subparagraphs i and ii of subparagraph *a* of the second paragraph by the following subparagraphs:

“i. \$10,222, if the eligible student began in the year at least two recognized terms of study, or

“ii. the amount by which \$10,222 exceeds \$2,861, if the eligible student began in the year only one recognized term of study;”;

(2) by replacing, in the third paragraph, subparagraphs i and ii of subparagraph *a* of the second paragraph, enacted by that third paragraph, by the following subparagraphs:

“i. \$2,861 in respect of each recognized term of study, without exceeding two, that the eligible student began in the year, and

“ii. the proportion that the number of months in the year following the month in which the eligible student reaches 18 years of age is of 12, multiplied by the amount by which \$10,222 exceeds the amount obtained by multiplying \$2,861 by 2;”.

(2) Subsection 1 applies from the taxation year 2017.

163. (1) Section 776.46 of the Act, amended by section 235 of chapter 1 of the statutes of 2017, is again amended, in subparagraph *a* of the second paragraph,

(1) by replacing subparagraph iv by the following subparagraph:

“iv. 16%, where the taxation year is subsequent to the year 2002 and precedes the year 2017, and”;

(2) by adding the following subparagraph after subparagraph iv:

“v. 15%, where the taxation year is the year 2017 or a subsequent year;”.

(2) Subsection 1 applies from the taxation year 2017.

164. Section 776.54.1 of the Act is amended

(1) by striking out “726.1,” in the portion before paragraph *a*;

(2) by striking out paragraph *a*.

165. The Act is amended by inserting the following section after section 961.17.0.3:

“**961.17.0.3.1.** For the purposes of section 961.17.0.1, paragraph *k* of the definition of “remuneration” in section 1015R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) and subparagraph *a* of the second paragraph of section 1015R21 of that Regulation, the minimum amount under a retirement income fund for the taxation year 2015 is the amount that would be the minimum amount under the fund for the year if it were determined using the prescribed factor referred to in section 961.1.5.0.1R1 of that Regulation for the taxation year 2014.”

166. Title VI.1 of Book VII of Part I of the Act, comprising sections 965.1 to 965.28.2, is repealed.

167. Section 965.29 of the Act is amended by replacing paragraph *e* by the following paragraph:

“(e) “total income” means the total income of an individual as defined in paragraph *j* of section 965.1, as it read before being repealed;”.

168. Section 965.35 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) “total income” means the total income of an individual within the meaning of paragraph *j* of section 965.1, as it read before being repealed;”.

169. Section 965.86 of the Act is amended by striking out “and is not identified in the list established for the purposes of section 965.9.7.1” in paragraph *c*.

170. Section 965.87 of the Act is amended by striking out “and is not identified in the list established for the purposes of section 965.9.7.2” in paragraph *d*.

171. (1) Section 1015.3 of the Act is amended

(1) by replacing the second paragraph and the portion of the third paragraph before the formula by the following:

“Where a person fails to furnish the return referred to in the first paragraph, the deduction or withholding must be made in respect of the person as though the person were entitled to deduct, in computing the person’s tax payable for the year, only the amount obtained by multiplying,

(a) where the deduction or withholding is made in respect of remuneration paid in the year 2017, \$11,635 by 20%; or

(b) where the deduction or withholding is made in respect of remuneration paid in a year subsequent to the year 2017, \$14,890 by the percentage determined under section 750.1 for the year.

The amount of \$14,890 to which subparagraph *b* of the second paragraph refers and that is to be used for a taxation year subsequent to the year 2017, is to be adjusted annually in such a manner that the amount used for that taxation year is equal to the total of the amount used for the preceding taxation year and the product obtained by multiplying that amount so used by the factor determined by the formula”;

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

“Where the amount that results from the adjustment provided for in the third paragraph is not a multiple of \$1, it must be rounded to the nearest multiple of \$1 or, if it is equidistant from two such multiples, to the higher multiple.”;

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

“Where the amount of \$14,890, to which subparagraph *b* of the second paragraph refers, is to be used for the taxation year 2018, the amount is deemed, for the purposes of the third paragraph, to be the amount used for the taxation year 2017.”

(2) Subsection 1 has effect from 1 January 2017.

172. (1) Section 1029.6.0.0.1 of the Act, amended by section 267 of chapter 1 of the statutes of 2017, is again amended, in the second paragraph,

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

“For the purposes of Divisions II.4 to II.5.2, II.6 to II.6.0.8, II.6.0.9.1 to II.6.0.11, II.6.2, II.6.4.2, II.6.4.2.1, II.6.5, II.6.5.3, II.6.5.6, II.6.5.7, II.6.6.1 to II.6.15 and II.22 to II.26, the following rules apply:”;

(2) by inserting “II.6.0.1.10,” after “II.6.0.1.8,” in subparagraph *b*;

(3) by inserting the following subparagraph after subparagraph *i.1*:

“(i.2) in the case of Division II.6.0.9.1, government assistance or non-government assistance does not include

- i. an amount deemed to have been paid to the Minister for a taxation year under that division,
- ii. the amount of assistance attributable to a workforce training program, or
- iii. the amount of federal government assistance directly attributable to the biodiesel fuel industry segment, in particular regarding market expansion, process improvement, energy efficiency and change in raw materials;”;

(4) by adding the following subparagraph after subparagraph *n*:

“(o) in the case of Division II.26, government assistance or non-government assistance does not include

- i. an amount deemed to have been paid to the Minister for a taxation year under that division, or
- ii. an amount deemed to have been paid on account of an individual’s tax payable for a taxation year, other than the amount described in subparagraph i, under this Part or the Income Tax Act that may reasonably be attributed to an expenditure described in the definition of “septic system repair expenditure” in section 1029.8.174.”

(2) Paragraphs 1 and 4 of subsection 1 have effect from 28 March 2017. However, where section 1029.6.0.0.1 of the Act applies before 1 April 2017, it is to be read as if “II.6.0.9.1 to II.6.0.11” in the portion of the second paragraph before subparagraph *a* were replaced by “II.6.0.10, II.6.0.11”.

(3) Paragraph 2 of subsection 1 has effect from 18 March 2016.

(4) Paragraph 3 of subsection 1 has effect from 1 April 2017.

173. (1) Section 1029.6.0.1.2 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) where the particular division is any of Divisions II.6 to II.6.0.0.5, the day that is three months after either of the following dates:

- i. the date on which the favourable advance ruling or, in the absence of such a ruling, the qualification certificate is given or issued by the Société de développement des entreprises culturelles, which ruling or qualification certificate the taxpayer is required to file with the Minister in accordance with the particular division, or
- ii. if it is subsequent to the date described in subparagraph i and the taxpayer is referred to in paragraph *a.3* of the definition of “qualified corporation” in the first paragraph of section 1029.8.34 or in paragraph *f* of the definition of “excluded corporation” in the first paragraph of section 1029.8.36.0.0.4, the

date on which the certificate referred to in that paragraph was issued by the Société de développement des entreprises culturelles to the taxpayer for the particular year; or”.

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

174. (1) Section 1029.6.0.6 of the Act, amended by section 268 of chapter 1 of the statutes of 2017, is again amended by replacing subparagraph *c* of the fourth paragraph by the following subparagraph:

“(c) the amount of \$10,222 mentioned in section 1029.8.67;”.

(2) Subsection 1 applies from the taxation year 2017. However, where section 1029.6.0.6 of the Act applies to the taxation year 2017, it is to be read without reference to subparagraph *c* of the fourth paragraph.

175. (1) Section 1029.6.0.7 of the Act, amended by section 269 of chapter 1 of the statutes of 2017, is again amended

(1) by replacing “*c* to *f*” in the first paragraph by “*d* to *f*”;

(2) by replacing “*g, h*” in the second paragraph by “*c, g, h*”.

(2) Subsection 1 applies from the taxation year 2017. However, where section 1029.6.0.7 of the Act applies to the taxation year 2017, it is to be read as if “*c, g, h*” in the second paragraph were replaced by “*g, h*”.

176. (1) Section 1029.8.33.7.3 of the Act is amended by replacing subparagraph *a* of the second paragraph by the following subparagraph:

“(a) in the case of section 1029.8.33.6, the taxation year referred to in that section is at least the third consecutive taxation year in which the eligible taxpayer makes a qualified expenditure in respect of a student trainee and the qualified expenditure made in each of those consecutive taxation years is at least \$2,500; and”.

(2) Subsection 1 applies in respect of an expenditure incurred after 26 March 2015 in relation to a training period that begins after that date.

177. Section 1029.8.36.0.0.5.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“If, at a particular time, a corporation enters into a contract with a person or partnership with whom it is not, at that time, dealing at arm’s length, under which the corporation incurs production costs as part of the production of a property that is a qualified production and if, in the opinion of the Minister, one of the purposes of the existence of the contract is to increase the particular amount that the corporation would be deemed to have paid to the Minister, in respect of the property, on account of its tax payable for a taxation year under

subparagraph *a.1* of the first paragraph of section 1029.8.36.0.0.5 if such a contract had been entered into with a person or partnership with whom it is dealing at arm's length, the Minister may determine that the particular amount is the amount that the corporation is deemed to have paid to the Minister, in respect of the property, on account of its tax payable for that year under that subparagraph *a.1*."

178. (1) Section 1029.8.36.0.3.9 of the Act, amended by section 279 of chapter 1 of the statutes of 2017, is again amended

(1) by replacing "is of the number of days in that taxation year" in the sixth paragraph by "is of 365";

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

"The sixth paragraph does not apply in respect of a salary or wages paid in consideration of services rendered by an eligible employee as part of the production of a property if

(*a*) the corporation makes an election in the prescribed form containing prescribed information in respect of a group of employees to which the employee belongs and the number of employees concerned by the election does not exceed 20% of the total number of eligible employees whose salaries or wages are taken into consideration in computing the corporation's qualified labour expenditure for the year in respect of the property; or

(*b*) where subparagraph *a* does not apply, the employee belongs to the group consisting of 20% of the total number of eligible employees whose salaries or wages taken into consideration in computing the corporation's qualified labour expenditure for the year in respect of the property are the highest."

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred after 26 March 2015 or, if applicable, in respect of a qualified labour expenditure incurred under a contract entered into after 26 March 2015. However, where section 1029.8.36.0.3.9 of the Act applies to a taxation year that ends after 26 March 2015 and includes that date, the sixth paragraph of that section is to be read as follows:

"For the purposes of the first paragraph, the amount, determined after the application of sections 1029.8.36.0.3.10.1 and 1029.8.36.0.3.13, of a salary or wages referred to in paragraph *a* or *b* of the definition of "qualified labour expenditure" in the first paragraph of section 1029.8.36.0.3.8, incurred and paid in respect of an eligible employee, may not exceed the amount obtained by multiplying \$100,000 by the proportion that the number of days in the corporation's taxation year that follow 26 March 2015 and during which the employee is an eligible employee is of 365."

179. (1) Section 1029.8.36.0.3.19 of the Act, amended by section 280 of chapter 1 of the statutes of 2017, is again amended

(1) by replacing “is of the number of days in that taxation year” in the sixth paragraph by “is of 365”;

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

“The sixth paragraph does not apply in respect of a salary or wages paid in consideration of services rendered by an eligible employee if

(a) the corporation makes an election in the prescribed form containing prescribed information in respect of a group of employees to which the employee belongs and the number of employees concerned by the election does not exceed 20% of the total number of eligible employees whose salaries or wages are taken into consideration in computing the corporation’s qualified labour expenditure for the year; or

(b) where subparagraph *a* does not apply, the employee belongs to the group consisting of 20% of the total number of eligible employees whose salaries or wages taken into consideration in computing the corporation’s qualified labour expenditure for the year are the highest.”

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred after 26 March 2015 or, if applicable, in respect of a qualified labour expenditure incurred under a contract entered into after 26 March 2015. However, where section 1029.8.36.0.3.19 of the Act applies to a taxation year that ends after 26 March 2015 and includes that date, the sixth paragraph of that section is to be read as follows:

“For the purposes of the first paragraph, the amount, determined after the application of sections 1029.8.36.0.3.21 and 1029.8.36.0.3.24, of a salary or wages referred to in paragraph *a* or *b* of the definition of “qualified labour expenditure” in the first paragraph of section 1029.8.36.0.3.18, incurred and paid in respect of an eligible employee, may not exceed the amount obtained by multiplying \$100,000 by the proportion that the number of days in the corporation’s taxation year that follow 26 March 2015 and during which the employee is an eligible employee is of 365.”

180. (1) The Act is amended by inserting the following after section 1029.8.36.0.3.83:

“DIVISION II.6.0.1.10

“CREDIT FOR MAJOR DIGITAL TRANSFORMATION PROJECTS

“§1.—*Interpretation and general rules*

“1029.8.36.0.3.84. In this division,

“eligibility period” of a corporation in relation to an eligible digitization contract means, subject to the third paragraph, the 24-month period that begins on the day the eligible digitization activities provided for in the eligible digitization contract began to be carried out;

“eligible digitization activity” of a corporation means an activity covered by the certificate referred to in subparagraph *b* of the third paragraph of section 1029.8.36.0.3.85 that is issued to the corporation for the purposes of this division;

“eligible digitization contract” of a corporation means a contract entered into by the corporation in respect of which a certificate has been issued for the purposes of this division;

“eligible employee” of a corporation for all or part of a taxation year means an employee of the corporation, other than an excluded employee at any time in the year, who, in the year or part of the year, reports for work at an establishment of the corporation situated in Québec and in respect of whom a certificate to the effect that the employee is an eligible employee for all or part of the year is issued to the corporation for the year for the purposes of this division;

“excluded employee” of a corporation at a particular time means an employee who, at that time, is a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of that corporation;

“qualified corporation” for a taxation year means a corporation that, in the year, carries on a business in Québec and has an establishment in Québec, and that is not

(a) a corporation that is exempt from tax for the year under Book VIII; or

(b) a corporation that would be exempt from tax for the year under section 985, but for section 192;

“qualified wages” incurred by a qualified corporation in a taxation year in respect of an eligible employee for all or part of the taxation year in connection with an eligible digitization contract means the lesser of

(a) the amount obtained by multiplying \$83,333 by the proportion that the number of days in the year during which the employee qualifies as an eligible employee of the qualified corporation is of 365; and

(b) the amount by which the amount of the wages incurred by the qualified corporation in the eligibility period relating to the eligible digitization contract that is included in the year, in respect of the employee while the employee qualifies as an eligible employee of the qualified corporation, to the extent that that amount is paid, exceeds the aggregate of

i. the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such wages that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before the qualified corporation's filing-due date for the taxation year, and

ii. the aggregate of all amounts each of which is the amount of a benefit or advantage in respect of such wages, other than a benefit or advantage that may reasonably be attributed to work carried out by the eligible employee in connection with the qualified corporation's eligible digitization contract for the taxation year that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for that taxation year, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner;

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative;

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

For the purposes of the definition of “eligible employee” in the first paragraph,

(a) if, during all or part of a taxation year, an employee reports for work at an establishment of a corporation situated in Québec and at an establishment of the corporation situated outside Québec, the employee is, for that period, deemed

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside Québec; and

(b) if, during all or part of a taxation year, an employee is not required to report for work at an establishment of a corporation and the employee's wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

A corporation does not have an eligibility period in relation to an eligible digitization contract if the eligible digitization activities provided for in the contract did not begin within a reasonable time after the contract was entered into.

“§2.— *Credit*

“1029.8.36.0.3.85. A qualified corporation for a taxation year that encloses with the fiscal return it is required to file for the year under section 1000 the documents described in the third paragraph is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 24% of the aggregate of all amounts each of which is the qualified wages incurred by the corporation in the year in respect of an eligible employee for all or part of that year in connection with an eligible digitization contract.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

The documents to which the first paragraph refers are the following:

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

(*b*) a copy of the valid certificate issued to the corporation in respect of the eligible digitization contract for the purposes of this division; and

(*c*) a copy of any valid certificate issued to the corporation for the year in respect of an eligible employee for the purposes of this division.

“§3.— *Government assistance and non-government assistance*

“1029.8.36.0.3.86. If a corporation pays in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing qualified wages incurred in a particular taxation year by

the corporation in respect of an eligible employee and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.85 for the particular taxation year, the corporation is deemed, if it encloses the prescribed form with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance due-day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year in respect of the qualified wages under section 1029.8.36.0.3.85 if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount determined under subparagraph i of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.84, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.85 for the particular year in respect of the qualified wages; and

(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

“1029.8.36.0.3.87. For the purposes of section 1029.8.36.0.3.86, an amount of assistance is deemed to be repaid by a corporation in a taxation year, pursuant to a legal obligation, if that amount

(a) reduced, because of subparagraph i of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.84, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.85;

(b) was not received by the corporation; and

(c) ceased in the taxation year to be an amount that the corporation may reasonably expect to receive.”

(2) Subsection 1 has effect from 18 March 2016.

181. (1) Section 1029.8.36.0.94 of the Act is amended by replacing the definition of “eligibility period” in the first paragraph by the following definition:

““eligibility period” of a qualified corporation means the period that begins on 1 April 2006 or, if it is later, on the particular day on which the qualified corporation begins producing eligible ethanol in Québec to be sold in Québec to the holder of a collection officer’s permit issued under the Fuel Tax Act (chapter T-1) and that ends on 31 March 2018;”.

(2) Subsection 1 applies to a taxation year that ends after 28 March 2017.

182. (1) The Act is amended by inserting the following after section 1029.8.36.0.106:

“DIVISION II.6.0.9.1

“CREDIT FOR THE PRODUCTION OF BIODIESEL FUEL IN QUÉBEC

“§1.—*Interpretation and general rules*

“1029.8.36.0.106.1. In this division,

“associated group” in a taxation year means all the corporations that meet the following conditions:

- (a) the corporations are associated with each other in the taxation year; and
- (b) each corporation is a qualified corporation for the taxation year;

“average monthly price of crude oil” in respect of a particular month in a taxation year means the arithmetic average of the daily closing values, for the particular month, on the New York Mercantile Exchange (NYMEX) of the price per barrel of West Texas Intermediate in Oklahoma in the United States (WTI-Cushing), expressed in American dollars;

“biodiesel fuel” has the meaning assigned by subparagraph *a.2* of the first paragraph of section 1 of the Fuel Tax Act (chapter T-1);

“eligible production of biodiesel fuel” of a qualified corporation for a particular month means the total number of litres of biodiesel fuel that corresponds to all of the qualified corporation’s shipments of biodiesel fuel for the particular month;

“month” means, in the case where a taxation year begins on a day in a calendar month other than the first day of that month, any period that begins on that day in a calendar month within the taxation year, other than the month in which the year ends, and that ends on the day immediately preceding that day in the calendar month that follows that month or, for the month in which the taxation year ends, on the day on which that year ends, and if there is no such immediately preceding day in the following month, on the last day of that month;

“qualified corporation” for a taxation year means a corporation that, in the year, has an establishment in Québec where it carries on a business engaged in the production of biodiesel fuel, other than a corporation

- (a) that is exempt from tax for the year under Book VIII; or

(b) that would be exempt from tax for the year under section 985, but for section 192;

“shipment of biodiesel fuel” of a qualified corporation in respect of a particular month means a shipment consisting of a number of litres of biodiesel fuel that the qualified corporation produces in Québec after 31 March 2017 and before 1 April 2018, that is sold in Québec in that period to the holder of a collection officer’s permit issued under the Fuel Tax Act (in subparagraph ii of subparagraph *a* of the second paragraph referred to as the “purchaser”) who takes possession of the biodiesel fuel in the particular month and before 1 April 2018, and that is intended for Québec.

For the purposes of the definition of “shipment of biodiesel fuel” in the first paragraph, the following rules apply:

(a) a shipment of biodiesel fuel is destined for Québec only if

i. where the shipment is delivered by the qualified corporation, the shipment is delivered and possession is taken in Québec, or

ii. where subparagraph i does not apply, the manifest issued to the purchaser on taking possession of the shipment shows the shipment was delivered in Québec; and

(b) if a qualified corporation produces biodiesel fuel in Québec after 31 March 2017 and stores it in a reservoir with biodiesel fuel it produced before 1 April 2017 or acquired before that date (in this subparagraph referred to as “previous stock”), a particular shipment drawn from the reservoir is deemed to be a shipment drawn from the previous stock up to the number of litres that corresponds to the previous stock immediately before the particular shipment.

“§2. — *Credit*

“**1029.8.36.0.106.2.** A corporation that is a qualified corporation for a taxation year and that encloses the documents referred to in the third paragraph with the fiscal return the corporation is required to file under section 1000 for the taxation year is deemed, subject to the fourth paragraph, to have paid to the Minister on the corporation’s balance-due day for the taxation year, on account of its tax payable for the taxation year under this Part, an amount equal to the amount by which the amount determined under section 1029.8.36.0.106.4 is exceeded by the aggregate of all amounts each of which is an amount determined, for a particular month of the taxation year, by the formula

$$A \times [\$0.185 - (\$0.0082 \times B + \$0.004 \times C)].$$

In the formula in the first paragraph,

(a) A, expressed as a number of litres, is the lesser of

i. the qualified corporation's eligible production of biodiesel fuel for the particular month, and

ii. the qualified corporation's monthly ceiling on the production of biodiesel fuel for the particular month;

(b) B is

i. if the average monthly price of crude oil in respect of the particular month is greater than US\$31, the number that represents the amount by which the average monthly price of crude oil, up to US\$43, exceeds US\$31, and

ii. in any other case, zero; and

(c) C is

i. if the average monthly price of crude oil in respect of the particular month is greater than US\$43, the number that represents the amount by which the average monthly price of crude oil, up to US\$65, exceeds US\$43, and

ii. in any other case, zero.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information;

(b) a copy of a report specifying, in respect of each month of the taxation year, the qualified corporation's eligible production of biodiesel fuel and the average monthly price of crude oil; and

(c) if applicable, a copy of the agreement described in section 1029.8.36.0.106.3.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, that corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the taxation year under this Part and of its tax payable for the taxation year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

“1029.8.36.0.106.3. For the purposes of subparagraph ii of subparagraph *a* of the second paragraph of section 1029.8.36.0.106.2, the monthly ceiling on the production of biodiesel fuel of a qualified corporation, for a particular month of a taxation year, is,

(a) if the qualified corporation is a member of an associated group in the year, the number of litres attributed for the particular month to the qualified corporation pursuant to the agreement described in the second paragraph or, in the absence of such an agreement, zero or the number of litres, determined with reference to the rules set out in the second paragraph, attributed to the qualified corporation by the Minister, if applicable, for the particular month; or

(b) if subparagraph *a* does not apply, the number of litres obtained by multiplying 345,205 by the number of days in the particular month.

The agreement to which subparagraph *a* of the first paragraph refers is the agreement under which all of the qualified corporations that are members of the associated group in the year attribute to one or more of their number, for the purposes of this section, a number of litres; for that purpose, the total number of litres so attributed for the particular month must not exceed the number of litres determined under subparagraph *b* of the first paragraph for the particular month.

“§3.— Government assistance, non-government assistance and other particulars

“1029.8.36.0.106.4. The amount to which the first paragraph of section 1029.8.36.0.106.2 refers is equal to the aggregate of all amounts each of which is

(a) the amount of any government assistance or non-government assistance that may reasonably be attributed to the portion, determined under subparagraph *a* of the second paragraph of that section, of a qualified corporation’s eligible production of biodiesel fuel for a particular month of the taxation year and that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for the taxation year; or

(b) the amount of any benefit or advantage that may reasonably be attributed to the portion, determined under subparagraph *a* of the second paragraph of that section, of a qualified corporation’s eligible production of biodiesel fuel for a particular month of the taxation year, that is not a benefit or advantage that may reasonably be attributed to the carrying on of that activity, and that is a benefit or advantage that a person or partnership has obtained, is entitled

to obtain, or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for the taxation year, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner.

“1029.8.36.0.106.5. A corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.106.2, on account of its tax payable for a particular taxation year under Part I in relation to its eligible production of biodiesel fuel for a particular month of that year is deemed, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a subsequent taxation year (in this section referred to as the “year concerned”) in which either of the following events occurs, to have paid to the Minister on its balance-due day for the year concerned, on account of its tax payable for that year under this Part, an amount equal to the amount determined under the second paragraph:

(a) the corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be the repayment of an amount included, because of paragraph *a* of section 1029.8.36.0.106.4, in the aggregate determined in respect of the corporation for the particular taxation year under that section; or

(b) a person or partnership pays, pursuant to a legal obligation, an amount that may reasonably be considered to be the repayment of an amount included, because of paragraph *b* of section 1029.8.36.0.106.4, in the aggregate determined in respect of the corporation for the particular taxation year under that section.

The amount to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under this section or section 1029.8.36.0.106.2 for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, is exceeded by the total of

(a) the amount that the corporation would have been deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.0.106.2 if any of the events described in subparagraph *a* or *b* of the first paragraph or in subparagraph *a* or *b* of the first paragraph of section 1129.45.3.39.2, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, had occurred in the particular taxation year; and

(b) the aggregate of all amounts each of which is an amount that the corporation is required to pay to the Minister under section 1129.45.3.39.2 for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year.

Section 1029.6.0.1.9 applies, with the necessary modifications, to the totality of the amount that the corporation is deemed, under this section, to have paid to the Minister on the corporation's balance-due day for the year concerned.

“1029.8.36.0.106.6. For the purposes of section 1029.8.36.0.106.5, an amount is deemed to be an amount paid by a corporation, person or partnership, as the case may be, in a particular taxation year as a repayment of an amount included in the aggregate determined for a preceding taxation year in respect of the corporation under section 1029.8.36.0.106.4, pursuant to a legal obligation, if that amount

(a) has been included in that aggregate;

(b) in the case of an amount referred to in paragraph *a* of section 1029.8.36.0.106.4, has not been received by the corporation;

(c) in the case of an amount referred to in paragraph *b* of section 1029.8.36.0.106.4, has not been obtained by the person or partnership; and

(d) ceased in the particular taxation year to be an amount that the corporation, person or partnership may reasonably expect to receive or obtain.”

(2) Subsection 1 has effect from 1 April 2017.

183. (1) Section 1029.8.36.166.40 of the Act, amended by section 291 of chapter 1 of the statutes of 2017, is again amended, in the definition of “qualified property” in the first paragraph,

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

“*i.* in any of Classes 29, 43 and 53 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1);”;

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

“(c.2) is not used in the course of operating a biodiesel fuel plant; and”.

(2) Paragraph 1 of subsection 1 has effect from 1 January 2016.

(3) Paragraph 2 of subsection 1 applies in respect of a property acquired after 31 March 2017.

184. Section 1029.8.61.8 of the Act is amended by striking out the definition of “Retraite Québec”.

185. (1) Section 1029.8.61.18 of the Act is amended

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

“ $1/12 A + B + I$ ”;

(2) by replacing “\$161.50” in subparagraph *b* of the second paragraph by “\$190”;

(3) by adding the following subparagraph after subparagraph *b* of the second paragraph:

“(c) *I* is an amount (in this division referred to as the “supplement for handicapped children requiring exceptional care”) equal to the product obtained by multiplying \$954 by the number of eligible dependent children referred to in section 1029.8.61.19.1 in respect of whom the individual is, at the beginning of the particular month, an eligible individual.”;

(4) by replacing “\$2,000” in subparagraph *i* of subparagraph *a* of the third paragraph and in subparagraph 1 of subparagraph *ii* of that subparagraph *a* by “\$2,410”;

(5) by replacing “\$1,000” in subparagraph 2 of subparagraph *ii* of subparagraph *a* of the third paragraph by “\$1,204”;

(6) by replacing “\$1,500” in subparagraph 3 of subparagraph *ii* of subparagraph *a* of the third paragraph by “\$1,806”;

(7) by replacing “\$700” in subparagraph *b* of the third paragraph by “\$845”;

(8) by replacing “\$553” in subparagraph *i* of subparagraph *e* of the third paragraph and in subparagraph 1 of subparagraph *ii* of that subparagraph *e* by “\$676”;

(9) by replacing “\$510” in subparagraph 2 of subparagraph *ii* of subparagraph *e* of the third paragraph by “\$625”;

(10) by replacing “\$276” in subparagraph *f* of the third paragraph by “\$337”.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 1 April 2016. However, where section 1029.8.61.18 of the Act applies before 1 January 2017, it is to be read as if “\$954” in subparagraph *c* of the second paragraph were replaced by “\$947”.

(3) Paragraphs 2 and 4 to 10 of subsection 1 have effect from 1 January 2017.

186. (1) Section 1029.8.61.19 of the Act is amended

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

“1029.8.61.19. An eligible dependent child to whom subparagraph *b* of the second paragraph of section 1029.8.61.18 refers is a child who, according to the prescribed rules, has an impairment or a mental function disability that substantially limits the child in performing the life habits of a child of his or her age during a foreseeable period of at least one year.

For the purpose of considering an amount in respect of the supplement for handicapped children under subparagraph *b* of the second paragraph of section 1029.8.61.18 for a particular month, an application must be filed with Retraite Québec no later than 11 months after the end of the particular month and be accompanied by the report of a member of a professional order assessing the child’s condition for a period that precedes the application date by no more than 12 months.

There is an exemption from filing a new application and from filing a new report of a member of a professional order for the purpose of considering an amount in respect of the supplement for handicapped children under subparagraph *b* of the second paragraph of section 1029.8.61.18, where an individual becomes an eligible individual, in respect of an eligible child who already gives rise to entitlement to an amount in respect of the supplement for handicapped children and in respect of whom the individual has filed or is deemed to have filed an application under the first paragraph of section 1029.8.61.24.

Where divergent opinions exist concerning the assessment of the child’s condition, Retraite Québec may require that the child be examined by the physician it designates or by any other member of a professional order. If valid grounds are presented to oppose the choice of the physician or the member of a professional order, Retraite Québec shall designate another physician or member of a professional order.”;

(2) by replacing “suivis sans raison valable” in subparagraph *a* of the sixth paragraph in the French text by “suivis, sans raison valable”.

(2) Paragraph 1 of subsection 1 applies in respect of an application filed with Retraite Québec after 22 June 2016 and in respect of an application filed with Retraite Québec before 23 June 2016 for which no decision has been rendered before that date. However, where section 1029.8.61.19 of the Act applies in respect of an application filed with Retraite Québec before 24 September 2016, the second paragraph of that section is to be read as follows:

“For the purpose of considering an amount in respect of the supplement for handicapped children under subparagraph *b* of the second paragraph of section 1029.8.61.18, an application must be filed with Retraite Québec and be accompanied by the report of a member of a professional order assessing the child’s condition.”

187. (1) The Act is amended by inserting the following sections after section 1029.8.61.19:

“1029.8.61.19.1. Subject to sections 1029.8.61.19.2 to 1029.8.61.19.4, an eligible dependent child to whom subparagraph *c* of the second paragraph of section 1029.8.61.18 refers is a child described in the first paragraph of section 1029.8.61.19 who is, according to the prescribed rules, in either of the following situations:

(*a*) the child, during a foreseeable period of at least one year, has an impairment or a designated mental function disability entailing serious and multiple disabilities that prevent the child from independently performing the life habits of a child of his or her age and is, at the beginning of the particular month,

i. two years of age or over, in the case of an impairment, or

ii. four years of age or over, in the case of a designated mental function disability; or

(*b*) the child’s state of health requires, during a foreseeable period of at least one year, specified complex medical care at home and, as the case may be,

i. the child is less than six years of age at the beginning of the particular month,

ii. the child is six years of age or over at the beginning of the particular month and the child’s state of health limits the child in performing the life habits of a child of his or her age, or

iii. the child is six years of age or over at the beginning of the particular month and the child’s state of health requires specified complex medical care at home referred to in subparagraph iii of subparagraph *a* of the first paragraph of section 1029.8.61.19.3.

For the purpose of considering an amount in respect of the supplement for handicapped children requiring exceptional care under subparagraph *c* of the second paragraph of section 1029.8.61.18 for a particular month, an application must be filed with Retraite Québec no later than 11 months after the end of the particular month and be accompanied by pluridisciplinary reports made in respect of the child.

Where divergent opinions exist concerning the assessment of the child’s condition, Retraite Québec may require that the child be examined by the physician it designates or by any other member of a professional order. If valid grounds are presented to oppose the choice of the physician or the member of a professional order, Retraite Québec shall designate another physician or member of a professional order.

Retraite Québec may, at any time, require that the child's condition be reassessed.

Despite the first paragraph, a child is not considered to be an eligible dependent child to whom subparagraph *c* of the second paragraph of section 1029.8.61.18 refers if

(a) without a valid reason, the treatments or measures likely to improve the child's condition are not applied or continued; or

(b) there is refusal or omission to comply with a request for information or an examination to assess the child's condition.

“1029.8.61.19.2. An eligible dependent child to whom subparagraph *c* of the second paragraph of section 1029.8.61.18 refers does not include a person who is lodged or sheltered under the law or a person who benefits from personal home assistance under

(a) section 158 of the Act respecting industrial accidents and occupational diseases (chapter A-3.001);

(b) section 79 of the Automobile Insurance Act (chapter A-25); or

(c) section 5 of the Crime Victims Compensation Act (chapter I-6).

“1029.8.61.19.3. For the purposes of subparagraph *b* of the first paragraph of section 1029.8.61.19.1, specified complex medical care at home is as follows:

(a) complex respiratory care, namely

i. the non-invasive mechanical ventilation with bi-level positive airway pressure (BiPAP),

ii. care related to a tracheostomy without invasive mechanical ventilation, or

iii. care related to a tracheostomy with invasive mechanical ventilation;

(b) complex nutritional care, namely parenteral nutrition (intravenous hyperalimentation);

(c) complex cardiac care, namely the intravenous administration of inotropes; and

(d) complex renal care, namely peritoneal dialysis.

“1029.8.61.19.4. Subparagraph *b* of the first paragraph of section 1029.8.61.19.1 applies in respect of a child only if

(*a*) the father or mother of the child, as the case may be, has begun to administer the specified complex medical care at home to the child;

(*b*) the father or mother of the child, as the case may be, has been trained beforehand in a specialized center to master the specific techniques for using the required equipment and to be able to respond to any change in the child’s clinical condition that may endanger the life of the child; and

(*c*) the child cannot self-administer the specified complex medical care at home.”

(2) Subsection 1 has effect from 1 April 2016.

188. (1) Section 1029.8.61.20 of the Act is amended

(1) by replacing “2004” in the portion before the formula in the first paragraph by “2017”;

(2) by replacing “\$161.50” in subparagraph *a* of the fourth paragraph by “\$190”;

(3) by inserting the following subparagraph after subparagraph *a* of the fourth paragraph:

“(a.1) the amount of \$954 mentioned in subparagraph *c* of the second paragraph of section 1029.8.61.18;”;

(4) by replacing “\$2,000”, “\$1,000” and “\$1,500” in subparagraph *b* of the fourth paragraph by “\$2,410”, “\$1,204” and “\$1,806”, respectively;

(5) by replacing “\$700” in subparagraph *c* of the fourth paragraph by “\$845”;

(6) by replacing “\$553” and “\$510” in subparagraph *d* of the fourth paragraph by “\$676” and “\$625”, respectively;

(7) by replacing “\$276” in subparagraph *e* of the fourth paragraph by “\$337”;

(8) by striking out the fifth paragraph.

(2) Subsection 1 has effect from 1 January 2017.

189. (1) Section 1029.8.61.24 of the Act is amended

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

“An individual may be considered to be an eligible individual, in respect of an eligible dependent child, at the beginning of a particular month only if the individual files an application for a child assistance payment, in respect of that eligible dependent child, with Retraite Québec no later than 11 months after the end of the particular month.”;

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of an application filed with Retraite Québec after 23 September 2016.

190. (1) The Act is amended by inserting the following section after section 1029.8.61.24:

“1029.8.61.24.1. An individual who did not file an application within the time prescribed in the second paragraph of section 1029.8.61.19 or 1029.8.61.19.1 or in the first paragraph of section 1029.8.61.24 may apply in writing to Retraite Québec for an extension, setting out the reasons why the application was not filed within the prescribed time.

The application must be granted if the individual demonstrates that it was impossible in fact for that individual to act and that the application was filed as soon as circumstances permitted.

The time for filing the application may be extended for a period not exceeding 24 months.”

(2) Subsection 1 applies in respect of an application filed with Retraite Québec after 23 September 2016.

191. (1) Section 1029.8.62 of the Act is amended by replacing paragraph *a* of the definition of “eligible expenses” in the first paragraph by the following paragraph:

“(a) judicial, extrajudicial or administrative expenses incurred to obtain a qualifying certificate or a qualifying judgment, as the case may be, in respect of the adoption of the person by the individual.”

(2) Subsection 1 has effect from 1 January 2016.

192. (1) Section 1029.8.66.1 of the Act, amended by section 305 of chapter 1 of the statutes of 2017, is again amended by replacing “250 kilometres” in subparagraph vi of paragraph *c* of the definition of “eligible expenses” in the first paragraph by “200 kilometres”.

(2) Subsection 1 applies in respect of travel and lodging expenses incurred after 30 June 2016.

193. (1) Section 1029.8.67 of the Act, amended by section 311 of chapter 1 of the statutes of 2017, is again amended by replacing “\$6,890” in the definition of “eligible child” by “\$10,222”.

(2) Subsection 1 applies from the taxation year 2017.

194. (1) Section 1029.8.167 of the Act, enacted by section 336 of chapter 1 of the statutes of 2017, is amended

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

““qualified expenditure” of an individual, in relation to an eligible dwelling of the individual, for a particular taxation year that is the taxation year 2016, the taxation year 2017 or the taxation year 2018 means the aggregate of all amounts each of which is an eco-friendly renovation expenditure of the individual that is paid, in relation to the eligible dwelling, by the individual or the individual’s legal representative, by a person who is the individual’s spouse at the time the payment is made, or by any other individual who, at the time the expenditure is incurred, owns the eligible dwelling, in any of the following periods:”;

(2) by replacing paragraph *b* of the definition of “qualified expenditure” in the first paragraph by the following paragraph:

“(b) after 31 December 2016 and before 1 January 2018, where the particular year is the taxation year 2017; or”;

(3) by adding the following paragraph after paragraph *b* of the definition of “qualified expenditure” in the first paragraph:

“(c) after 31 December 2017 and before 1 January 2019, where the particular year is the taxation year 2018;”;

(4) by replacing the portion of the definition of “eco-friendly renovation agreement” in the first paragraph before paragraph *a* by the following:

““eco-friendly renovation agreement” entered into in respect of an individual’s eligible dwelling means an agreement under which a qualified contractor undertakes to carry out recognized eco-friendly renovation work in respect of the individual’s eligible dwelling that is entered into after 17 March 2016 and before 1 April 2018 between the qualified contractor and”;

(5) by replacing “was carried out” in the portion of the definition of “excluded dwelling” in the first paragraph before paragraph *a* by “began to be carried out”;

(6) by replacing “subject to the second paragraph” in the portion of the definition of “recognized eco-friendly renovation work” in the first paragraph before paragraph *a* by “subject to the second and third paragraphs”;

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

“Where the definition of “recognized eco-friendly renovation work” in the first paragraph applies in respect of a dwelling described in paragraph *a* of the definition of “eligible dwelling” in the first paragraph in connection with an agreement entered into after 31 March 2017 and before 1 April 2018, it is to be read without reference to its paragraph *z*.”

(2) Subsection 1 has effect from 28 March 2017.

195. (1) Section 1029.8.171 of the Act, enacted by section 336 of chapter 1 of the statutes of 2017, is amended by inserting the following paragraph after the second paragraph:

“An individual, other than a trust, who is resident in Québec at the end of 31 December of the taxation year 2018 is deemed to have paid to the Minister on the individual’s balance-due day for the individual’s taxation year 2018 on account of the individual’s tax payable under this Part for that year, if the individual files with the Minister, together with the fiscal return the individual is required to file for the year, or would be required to so file if tax were payable for the year, the prescribed form containing prescribed information, an amount equal to the lesser of

(*a*) the amount obtained by multiplying 20% by the amount by which the individual’s qualified expenditure for the taxation year 2018, in relation to an eligible dwelling of the individual, exceeds the amount by which \$2,500 exceeds the aggregate of all amounts each of which is the individual’s qualified expenditure, in relation to the eligible dwelling, for each of the taxation years 2016 and 2017; and

(*b*) the amount by which \$10,000 exceeds the aggregate of all amounts each of which is an amount that the individual, or a person together with whom the individual owns the eligible dwelling, is deemed to have paid to the Minister under the first or second paragraph, in relation to the eligible dwelling.”

(2) Subsection 1 has effect from 28 March 2017.

196. (1) Section 1029.8.172 of the Act, enacted by section 336 of chapter 1 of the statutes of 2017, is amended by replacing the first paragraph by the following paragraph:

“For the purpose of determining the amount that an individual is deemed to have paid to the Minister for a taxation year under section 1029.8.171 in relation to an eligible dwelling of the individual, for any period between 17 March 2016 and 1 April 2018 throughout which the individual owns an intergenerational

home that is the individual's principal place of residence, each independent dwelling built in the home is deemed to be a separate eligible dwelling of the individual, if the individual so elects in the prescribed form referred to in the first, second or third paragraph of section 1029.8.171.”

(2) Subsection 1 has effect from 28 March 2017.

197. (1) The Act is amended by inserting the following after section 1029.8.173, enacted by section 336 of chapter 1 of the statutes of 2017:

“DIVISION II.26

“CREDIT FOR THE REPAIR OF SEPTIC SYSTEMS

“§1.—*Interpretation and general rules*

“1029.8.174. In this division,

“eligible dwelling” of an individual means a dwelling that is located in Québec, other than an excluded dwelling, of which construction is completed before 1 January 2017, of which the individual is the owner when the septic system repair expenditures are incurred, that is an isolated dwelling within the meaning of the Regulation respecting waste water disposal systems for isolated dwellings (chapter Q-2, r. 22) or that is part of such a dwelling, and that is

(a) the individual's principal place of residence; or

(b) a cottage suitable for year-round occupancy that is normally occupied by the individual;

“excluded dwelling” means a dwelling that, before recognized work began to be carried out, was the subject of

(a) a notice of expropriation or a notice of intention to expropriate;

(b) a reserve for public purposes; or

(c) a prior notice of the exercise of a hypothecary right registered in the registry office or any other procedure calling the individual's right of ownership of the dwelling into question;

“qualified contractor” in relation to a service agreement entered into in respect of an individual's eligible dwelling means a person or a partnership meeting the following conditions:

(a) at the time the service agreement is entered into, the person or partnership has an establishment in Québec and is neither the owner of the eligible dwelling nor the spouse of one of the owners of the eligible dwelling; and

(b) at the time the recognized work is being carried out and if required for the carrying out of such work, the person or partnership is the holder of the appropriate licence issued by the Régie du bâtiment du Québec and, if applicable, has paid the licence security payable under the Building Act (chapter B-1.1);

“qualified expenditure” of an individual, in relation to an eligible dwelling of the individual, for a particular taxation year that is subsequent to the taxation year 2016 and precedes the taxation year 2023, means the aggregate of all amounts each of which is a septic system repair expenditure that is paid, in relation to the eligible dwelling, by the individual or the individual’s legal representative, by a person who is the individual’s spouse at the time the payment is made, or by any other individual who, at the time the expenditure is incurred, owns the eligible dwelling, in either of the following periods:

(a) after 31 March 2017 and before 1 January 2018, where the particular year is the taxation year 2017; or

(b) after 31 December of the year that precedes the particular year and on or before 31 December of the particular year, where the particular year is subsequent to the taxation year 2017 and precedes the taxation year 2023;

“recognized work” in respect of an eligible dwelling means work that is carried out in compliance with the rules set out in Québec legislation and regulations and in the applicable municipal by-laws, including necessary site restoration work, and that is work relating to the construction, renovation, modification, rebuilding, relocation or enlargement of a system for the discharge, collection or disposal of waste water, toilet effluents or grey water serving an eligible dwelling;

“septic system repair expenditure” means an expenditure that is attributable to the carrying out of recognized work provided for in a service agreement and that is

(a) the cost of a service supplied to carry out the work by a qualified contractor who is a party to the service agreement, including the amount of any goods and services tax and Québec sales tax applicable;

(b) the cost of a movable property that enters into the carrying out of recognized work provided for in the service agreement, including the amount of any goods and services tax and Québec sales tax applicable, provided that the movable property was acquired after 31 March 2017 from the qualified contractor or a merchant holding a registration number assigned under the Act respecting the Québec sales tax (chapter T-0.1) and that it complies, where required, with the standards prescribed by the Regulation respecting waste water disposal systems for isolated dwellings; or

(c) the cost of a permit necessary to carry out recognized work, including the cost of studies carried out to obtain such a permit;

“service agreement” entered into in respect of an individual’s eligible dwelling means an agreement under which a qualified contractor undertakes to carry out recognized work in respect of the individual’s eligible dwelling that is entered into after 31 March 2017 and before 1 April 2022 between the qualified contractor and

(a) the individual;

(b) a person who, at the time the agreement is entered into, is the individual’s spouse, or another individual who is the owner of the eligible dwelling or that other individual’s spouse; or

(c) where the individual’s eligible dwelling is an apartment in an immovable under divided co-ownership, the syndicate of co-owners of the immovable.

“1029.8.175. For the purposes of paragraph *b* of the definition of “septic system repair expenditure” in section 1029.8.174, a merchant is deemed to hold a registration number assigned under the Act respecting the Québec sales tax (chapter T-0.1) if the merchant is not a registrant for the purposes of that Act because the merchant is a small supplier within the meaning of section 1 of that Act.

“1029.8.176. For the purpose of determining an individual’s qualified expenditure for a particular taxation year in relation to an eligible dwelling, the following rules apply:

(a) the amount of the qualified expenditure may not include

i. an amount that is used to finance the cost of recognized work,

ii. an amount that is attributable to property or services supplied by a person not dealing at arm’s length with the individual or with any of the other owners of the dwelling, unless the person holds a registration number assigned under the Act respecting the Québec sales tax (chapter T-0.1),

iii. an amount that is deductible in computing an individual’s income from a business or property for the year or any other taxation year, and

iv. an amount that is included in the capital cost of depreciable property;

(b) the qualified expenditure must be reduced by the portion of the amount of any government assistance that exceeds \$2,500, the amount of any non-government assistance, reimbursement or other form of assistance, including an indemnity paid under an insurance contract, attributable to the expenditure, that the individual or any other person (other than the person acting as a qualified contractor under the service agreement under which the expenditure is incurred) has received, is entitled to receive or may reasonably expect to receive in any taxation year, except to the extent that the amount has reduced the individual’s qualified expenditure for a preceding taxation year;

(c) an amount paid under a service agreement in relation to recognized work carried on by a qualified contractor may be included in the individual's qualified expenditure only if the qualified contractor certifies, in the prescribed form containing prescribed information, that the property used in carrying out the work complies, where required, with the standards prescribed by the Regulation respecting waste water disposal systems for isolated dwellings (chapter Q-2, r. 22);

(d) where a service agreement entered into with a qualified contractor does not deal only with recognized work, an amount paid under the agreement may be included in the individual's qualified expenditure only if the qualified contractor gives the individual a written statement showing the breakdown of the cost of the property and services the qualified contractor supplied among the various types of work carried on under the agreement; and

(e) where the individual's eligible dwelling is an apartment in an immovable under divided co-ownership, the individual's qualified expenditure is deemed to include the individual's share of an expenditure paid by the syndicate of co-owners if

i. it is reasonable to consider that the expenditure would be a septic system repair expenditure of an individual if the syndicate of co-owners were an individual and the immovable were an eligible dwelling of the individual, and

ii. the syndicate of co-owners provided the individual, in the prescribed form, with information relating to the work and the amount of the individual's share of the expenditure.

“§2. — *Credits*

1029.8.177. An individual, other than a trust, who is resident in Québec at the end of 31 December of the taxation year 2017 is deemed to have paid to the Minister on the individual's balance-due day for the individual's taxation year 2017 on account of the individual's tax payable under this Part for that year an amount equal to the lesser of \$5,500 and the amount obtained by multiplying 20% by the amount by which the individual's qualified expenditure for the taxation year 2017 in relation to an eligible dwelling of the individual exceeds \$2,500, if the individual files with the Minister, together with the fiscal return the individual is required to file for the year, or would be required to so file if tax were payable for the year, the prescribed form containing prescribed information.

An individual, other than a trust, who is resident in Québec at the end of 31 December of a particular taxation year that is subsequent to the taxation year 2017 and precedes the taxation year 2023 is deemed to have paid to the Minister on the individual's balance-due day for the particular year on account of the individual's tax payable under this Part for the particular year, if the individual files with the Minister, together with the fiscal return the individual is required to file for the particular year, or would be required to so file if tax were payable for the particular year, the prescribed form containing prescribed information, an amount equal to the lesser of

(a) the amount obtained by multiplying 20% by the amount by which the individual's qualified expenditure for the particular year, in relation to an eligible dwelling of the individual, exceeds the amount by which \$2,500 exceeds the aggregate of all amounts each of which is the individual's qualified expenditure, in relation to the eligible dwelling, for a taxation year preceding the particular year; and

(b) the amount by which \$5,500 exceeds the aggregate of all amounts each of which is an amount that the individual, or a person together with whom the individual owns the eligible dwelling, is deemed to have paid to the Minister under this section for a taxation year preceding the particular year.

For the purpose of determining the amount that an individual is deemed to have paid to the Minister for a particular taxation year under the first or second paragraph, in relation to an eligible dwelling the individual owns that is situated in an immovable under divided co-ownership or in another type of immovable that comprises more than one dwelling, the amounts of \$2,500 and \$5,500 mentioned in the first and second paragraphs must respectively be replaced by

(a) where the eligible dwelling is situated in an immovable under divided co-ownership, the amounts obtained by multiplying \$2,500 and \$5,500, as the case may be, by the individual's share of the common expenses of the immovable; and

(b) where the eligible dwelling is situated in another type of immovable that comprises more than one dwelling, the amounts obtained by multiplying \$2,500 and \$5,500, as the case may be, by the proportion that the area of the individual's eligible dwelling is of the total living area of the immovable.

For the purposes of this section, an individual who dies or ceases to be resident in Canada in a taxation year is deemed to be resident in Québec at the end of 31 December of that year if the individual was resident in Québec immediately before dying or, as the case may be, on the last day the individual was resident in Canada.

“1029.8.178. If, for a taxation year, more than one individual could, but for this section, be deemed to have paid an amount to the Minister under section 1029.8.177 in relation to an eligible dwelling that the individuals jointly own, the following rules apply:

(a) if those individuals became owners of the eligible dwelling at the same time, the total of the amounts that each of those individuals may be deemed to have paid to the Minister under that section for the year in relation to the eligible dwelling may not exceed the particular amount that only one of those individuals could be deemed to have paid to the Minister under that section for the year in relation to the eligible dwelling if that individual were the sole owner of the eligible dwelling; and

(b) in any other case, the total of the amounts that each of those individuals may be deemed to have paid to the Minister under that section for the year in relation to the eligible dwelling may not exceed the particular amount that the individual from among those individuals who holds the oldest title of ownership or, if more than one of them holds such a title, one of those individuals, could be deemed to have paid to the Minister under that section for the year in relation to the eligible dwelling if that individual were the sole owner of the eligible dwelling.

If the individuals cannot agree as to what portion of the particular amount each would, but for this section, be deemed to have paid to the Minister under section 1029.8.177, the Minister may determine what portion of that amount is deemed to be paid to the Minister by each individual under that section.”

(2) Subsection 1 applies from the taxation year 2017.

198. Section 1035 of the Act, replaced by section 339 of chapter 1 of the statutes of 2017, is again replaced by the following section:

“**1035.** The Minister may at any time assess a taxpayer in respect of any amount payable under any of sections 1034 to 1034.0.0.4, any of subsections 1 to 2.1 of section 1034.1 or any of sections 1034.2, 1034.3, 1034.4, 1034.6, 1034.8 and 1034.10, as the case may be, and this Book applies, with the necessary modifications, to an assessment made under this section as though it had been made under Title II.”

199. Section 1036 of the Act, replaced by section 340 of chapter 1 of the statutes of 2017, is again replaced by the following section:

“**1036.** If a particular taxpayer and another taxpayer are, under paragraph *g* of section 595 or any of sections 597.0.15, 1034 to 1034.0.0.4, 1034.1 to 1034.3, 1034.4, 1034.6, 1034.8 and 1034.10, as the case may be, solidarily liable in respect of all or part of a liability of the other taxpayer, the following rules apply:

(a) a payment by, and on account of the liability of, the particular taxpayer discharges, up to the amount of the payment, their solidary liability; and

(b) a payment by, and on account of the liability of, the other taxpayer discharges the liability of the particular taxpayer only to the extent that the payment operates to reduce the liability of the other taxpayer to an amount less than the amount in respect of which the particular taxpayer is solidarily liable under paragraph *g* of section 595 or any of sections 597.0.15, 1034 to 1034.0.0.4, 1034.1 to 1034.3, 1034.4, 1034.6, 1034.8 and 1034.10, as the case may be.”

200. Section 1036.1 of the Act is repealed.

201. Sections 1049.1 to 1049.2.11 of the Act are repealed.

202. (1) Section 1079.8.24 of the Act is replaced by the following section:

“1079.8.24. In the case of a subsequent failure during the three years after the date on which a notice of assessment imposing a penalty under any of sections 1079.8.20 to 1079.8.22 is sent, the amount of the penalty that would otherwise be determined under any of those sections in respect of the subsequent failure is doubled.”

(2) Subsection 1 has effect from 1 September 2016.

203. (1) Section 1079.8.34 of the Act is replaced by the following section:

“1079.8.34. In the case of a subsequent failure during the three years after the date on which a notice of assessment imposing a penalty under any of sections 1079.8.30 to 1079.8.32 is sent, the amount of the penalty that would otherwise be determined under any of those sections in respect of the subsequent failure is doubled.”

(2) Subsection 1 has effect from 1 September 2016.

204. (1) Section 1089 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under section 726.35 or 726.43 and reduced by the amount that the individual could deduct in computing the individual’s taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

205. (1) Section 1090 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under section 726.35 or 726.43 and reduced by the amount that the individual could deduct in computing the individual’s taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

(2) Subsection 1 applies to a taxation year that ends after 17 March 2016.

206. (1) Section 1106 of the Act is amended

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

“(b) despite any other provision of this Act, where an amount is received by a taxpayer in a taxation year as the dividend, the amount

i. shall not be included in computing the taxpayer’s income for the year as income from a share of the capital stock of the corporation, and

ii. is deemed to be a capital gain of the taxpayer from the disposition by the taxpayer of a capital property in the year.”;

(2) by striking out the second and third paragraphs.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011. However, where any part of a dividend declared by a corporation is in respect of a capital gain of the corporation from a disposition of property that occurred before 18 October 2000, subparagraph *b* of the first paragraph of section 1106 of the Act and the second and third paragraphs of that section are to be read, in respect of that part of the dividend, as they read in their application to the corporation’s last taxation year that began before 1 November 2011.

207. (1) Sections 1106.0.1 to 1106.0.5 of the Act are repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011.

208. (1) Section 1113 of the Act is amended

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

“(b) despite any other provision of this Act, where an amount is received by a taxpayer in a taxation year as the dividend, the amount

i. shall not be included in computing the taxpayer’s income for the year as income from a share of the capital stock of the corporation, and

ii. is deemed to be a capital gain of the taxpayer from the disposition by the taxpayer of a capital property in the year.”;

(2) by striking out the second paragraph.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011. However, where any part of a dividend declared by a corporation is in respect of a capital gain of the corporation from a disposition of property that occurred before 18 October 2000, subparagraph *b* of the first paragraph of section 1113

of the Act and the second paragraph of that section are to be read, in respect of that part of the dividend, as they read in their application to the corporation's last taxation year that began before 1 November 2011.

209. (1) Sections 1113.1 to 1113.4 of the Act are repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011.

210. (1) Section 1116 of the Act is amended

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

“(b) despite any other provision of this Act, where an amount is received by a taxpayer in a taxation year as the dividend, the amount

i. shall not be included in computing the taxpayer's income for the year as income from a share of the capital stock of the corporation, and

ii. is deemed to be a capital gain of the taxpayer from the disposition by the taxpayer of a capital property in the year.”;

(2) by striking out the second and third paragraphs.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011. However, where any part of a dividend declared by a corporation is in respect of a capital gain of the corporation from a disposition of property that occurred before 18 October 2000, subparagraph *b* of the first paragraph of section 1116 of the Act and the second and third paragraphs of that section are to be read, in respect of that part of the dividend, as they read in their application to the corporation's last taxation year that began before 1 November 2011.

211. (1) Sections 1116.1 to 1116.5 of the Act are repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 October 2011.

212. (1) Section 1121.7 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) if a taxation year of the trust (determined for the purposes of the Income Tax Act) ends, because of paragraph *a* of subsection 1 of section 132.11 of that Act, on 15 December of a particular calendar year, each of its taxation years (determined for the purposes of this Act) that end after that date is deemed, subject to section 1121.7.1, to be the period that begins on 16 December of a calendar year and ends on 15 December of the following calendar year or at such earlier time as is determined under paragraph *a* or *b* of section 6.2, paragraph *a.1* of section 785.1, paragraph *b* of section 785.5 or paragraph *a.1* of section 851.22.23.”

(2) Subsection 1 has effect from 21 March 2013.

213. (1) The Act is amended by inserting the following after section 1129.4.3.39:

“PART III.1.1.10

“SPECIAL TAX RELATING TO THE CREDIT FOR MAJOR DIGITAL TRANSFORMATION PROJECTS

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

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

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is tax the corporation is required to pay to the Minister under section 1129.4.3.42 for a taxation year that precedes the particular year in relation to qualified wages incurred in respect of an eligible employee in connection with the eligible digitization contract is exceeded by the amount obtained by applying the percentage specified in the third paragraph to the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.85 or 1029.8.36.0.3.86 for a taxation year in relation to such qualified wages.

The percentage to which the second paragraph refers is

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

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

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

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

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

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

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

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

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

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

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

(2) Subsection 1 has effect from 18 March 2016.

214. Parts III.2 and III.2.1 of the Act, comprising sections 1129.5 to 1129.12.7, are repealed.

215. (1) Section 1129.33.0.5 of the Act, enacted by section 383 of chapter 1 of the statutes of 2017, is replaced by the following section:

“1129.33.0.5. The Minister shall pay to the Minister of Municipal Affairs, Regions and Land Occupancy an amount representing two-thirds of the special duties collected under the first paragraph of section 1129.33.0.3 or 1129.33.0.4 and shall transmit to that Minister any information that Minister may need in order to forward such amount to the municipality in whose territory the immovable that is the subject of special duties is situated.”

(2) Subsection 1 has effect from 18 March 2016.

216. (1) The Act is amended by inserting the following after section 1129.45.3.39:

“PART III.10.1.9.1

“SPECIAL TAX RELATING TO THE CREDIT FOR THE PRODUCTION OF BIODIESEL FUEL IN QUÉBEC

“1129.45.3.39.1. In this Part, “eligible production of biodiesel fuel” has the meaning assigned by section 1029.8.36.0.106.1.

“1129.45.3.39.2. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.106.2, on account of its tax payable under Part I, for a particular taxation year, in relation to its eligible production of biodiesel fuel for a particular month of that taxation year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “year concerned”) in which either of the following events occurs:

(a) an amount that may reasonably be considered to be an amount relating to its eligible production of biodiesel fuel for a particular month of the particular taxation year that, because of paragraph *a* of section 1029.8.36.0.106.4, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had been received by the corporation in that taxation year, is received by the corporation; or

(b) an amount that may reasonably be considered to be an amount relating to its eligible production of biodiesel fuel for a particular month of the particular taxation year that, because of paragraph *b* of section 1029.8.36.0.106.4, would have been included in the aggregate determined in its respect for the particular taxation year under that section if it had been obtained by a person or partnership in that taxation year, is obtained by the person or partnership.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.106.2 or 1029.8.36.0.106.5 for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, exceeds the total of

(a) the amount that the corporation would have been deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.0.106.2 if any of the events described in subparagraph *a* or *b* of the first paragraph or in subparagraph *a* or *b* of the first paragraph of section 1029.8.36.0.106.5, that occurred in the year concerned or a preceding taxation year in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year, had occurred in the particular taxation year; and

(b) the aggregate of all amounts each of which is an amount that the corporation is required to pay to the Minister under this section for a taxation year preceding the year concerned in relation to its eligible production of biodiesel fuel for a particular month of the particular taxation year.

“1129.45.3.39.3. For the purposes of Part I, except Division II.6.0.9.1 of Chapter III.1 of Title III of Book IX, the tax paid at any time by a corporation to the Minister under section 1129.45.3.39.2, in relation to an eligible production of biodiesel fuel, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the eligible production of biodiesel fuel, pursuant to a legal obligation.

“1129.45.3.39.4. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 1 April 2017.

217. (1) Section 1129.78 of the Act is amended by replacing “7.05%” in the first paragraph by “4.47%”.

(2) Subsection 1 applies from the taxation year 2016.

218. (1) Section 1159.2 of the Act is amended by replacing “2019” by “2024”.

(2) Subsection 1 has effect from 28 March 2017.

219. (1) Section 1159.3.3 of the Act is amended by replacing “2017” by “2022” in the following provisions:

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

—the portion of the second paragraph before subparagraph *a*.

(2) Subsection 1 has effect from 28 March 2017.

220. (1) Section 1159.3.4 of the Act is amended

(1) by replacing “2017” by “2022” in the following provisions:

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

—subparagraph ii of subparagraph *b* of the first paragraph;

—subparagraph *c* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *c* of the first paragraph of that section 1159.3.4;

—subparagraph *e* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the first paragraph of that section 1159.3.4;

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

—subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.4;

—subparagraph ii of subparagraph *b* of the second paragraph;

—subparagraph *c* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *c* of the second paragraph of that section 1159.3.4;

—subparagraph *e* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the second paragraph of that section 1159.3.4;

(2) by replacing subparagraph *a* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the first paragraph of that section 1159.3.4, by the following subparagraph:

“(a) in the case of a bank, a loan corporation, a trust corporation or a corporation trading in securities, subject to subparagraph *d*, the aggregate of 2.8% of the amount paid as wages in the part of the year that is included, in whole or in part, in the period beginning on 1 April 2022 and ending on 31 March 2024 (in this section referred to as the “temporary contribution period”) and 4.48% of the amount paid as wages in the part of the year that precedes 1 April 2022;”;

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

“i. the proportion of 0.3% that the number of days in the taxation year that are included in the period beginning on 1 April 2022 and ending on 31 March 2024 (in this section referred to as the “temporary contribution period”) is of the number of days in the taxation year, and”.

(2) Subsection 1 has effect from 28 March 2017.

(3) In addition,

(1) in applying subparagraph i of subparagraph *a* of the first paragraph of section 1027 of the Act, subparagraph 1 of subparagraph iii of that subparagraph *a* and subparagraph *a* of the third paragraph of that section 1027, enacted by paragraph *b* of section 1027.0.3 of the Act, for the purpose of computing the amount of a payment that a corporation is required to make under subparagraph *a* of the first paragraph of that section 1027 for a taxation year that ends after 31 March 2022, and in applying section 1038 of the Act for the purpose of computing the interest provided for in that section that the corporation is required to pay, if applicable, in respect of that payment, the corporation's estimated tax or tax payable, as the case may be, for that taxation year

(*a*) must, in respect of a payment that the corporation is required to make before 1 April 2022, be determined as if section 1159.3.4 of the Act, amended by subsection 1, were read as if "2.8%", "0.3%", "2.2%" and "0.9%" were replaced wherever they appear by "4.48%", "0.48%", "3.52%" and "1.44%", respectively, and

(*b*) is, in respect of a payment that the corporation is required to make after 31 March 2022,

i. where the taxation year began before 1 April 2022 and the corporation is not, at the time of the payment, a qualified Canadian-controlled private corporation within the meaning of section 1027.0.1 of the Act, deemed to be equal to the amount by which the amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined in accordance with subparagraph *a* exceeds the product obtained by multiplying, by the proportion that 12 is of the number of payments that the corporation is required to make after 31 March 2022 for the taxation year under subparagraph *a* of the first paragraph of that section 1027, the amount by which the estimated tax or tax payable, as the case may be, so determined exceeds the amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined without reference to this subsection, and

ii. where the taxation year began before 1 April 2022 and the corporation is, throughout the year, a qualified Canadian-controlled private corporation within the meaning of section 1027.0.1 of the Act, deemed to be equal to the amount by which the amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined in accordance with subparagraph *a* exceeds the product obtained by multiplying, by the proportion that 4 is of the number of payments that the corporation is required to make after 31 March 2022 for the taxation year under subparagraph *a* of the first paragraph of that section 1027, the amount by which the estimated tax or tax payable, as the case may be, so determined exceeds the amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined without reference to this subsection; and

(2) in applying subparagraph i of subparagraph *a* of the first paragraph of section 1027 of the Act, subparagraph 1 of subparagraph iii of that subparagraph *a* and subparagraph *a* of the third paragraph of that section 1027, enacted by paragraph *b* of section 1027.0.3 of the Act, for the purpose of computing the amount of a payment that a corporation is required to make under subparagraph *a* of the first paragraph of that section 1027 for a taxation year that ends after 31 March 2024, and in applying section 1038 of the Act for the purpose of computing the interest provided for in that section that the corporation is required to pay, if applicable, in respect of that payment, the corporation's estimated tax or tax payable, as the case may be, for that taxation year is deemed to be equal, in respect of a payment that the corporation is required to make before 1 April 2024, to the corporation's estimated tax or tax payable, as the case may be, otherwise determined, multiplied by the proportion that 365 is of the number of days in the taxation year that precede 1 April 2024.

221. (1) Section 1159.17 of the Act is amended, in the second paragraph,

(1) by replacing “2017” in subparagraph *d* by “2022”;

(2) by replacing “2017” and “2019” in subparagraph *e* by “2022” and “2024”, respectively.

(2) Subsection 1 has effect from 28 March 2017.

222. (1) The Act is amended by inserting the following after section 1175.28:

“PART VI.3.0.1

**“SPECIAL TAX RELATING TO THE DEDUCTION FOR INNOVATIVE
MANUFACTURING CORPORATIONS**

“1175.28.0.1. In this Part,

“corporation” has the meaning assigned by Part I;

“qualified patented part” has the meaning assigned by the first paragraph of section 737.18.36;

“qualified property” has the meaning assigned by the first paragraph of section 737.18.36;

“taxation year” has the meaning assigned by Part I.

“1175.28.0.2. Where a corporation has deducted an amount under section 737.18.40 in computing its taxable income for a taxation year (in this paragraph referred to as a “preceding year”) in relation to a qualified patented part of the corporation that is incorporated into a qualified property of the corporation and if in a subsequent taxation year (in this section referred to as

the “tax liability year”) any of the circumstances described in the second paragraph applies in respect of the qualified patented part, the corporation shall pay for the tax liability year a tax equal to the aggregate of all amounts each of which is the amount by which the tax (in the second and third paragraphs referred to as the “notional tax”) that the corporation would have had to pay under Part I for a preceding year if no amount had been deducted by the corporation in computing its taxable income for that preceding year in relation to the qualified patented part exceeds the tax determined by the Minister (in the second paragraph referred to as the “real tax”) that is payable by the corporation under that Part for that preceding year.

The circumstances to which the first paragraph refers, in respect of an invention that is a qualified patented part of a corporation, are the following:

(a) the patent issued in respect of the invention is invalidated in accordance with an Act referred to in subparagraph i of paragraph c of the definition of “qualified patented part” in the first paragraph of section 737.18.36;

(b) the application for a patent, in respect of the invention that is, under the second paragraph of section 737.18.36, the qualified patented part of the corporation, has not resulted in the issue of a patent by a competent authority within five years after the day on which the application was made;

(c) a redetermination by the Minister reduces to zero the aggregate of all amounts each of which is an amount that a corporation is deemed to have paid to the Minister for a taxation year under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX of Part I in respect of the scientific research and experimental development work from which the invention derives; and

(d) a redetermination by the Minister reduces to less than \$500,000 the total described in the first paragraph of section 737.18.39 that was taken into account for the purpose of determining whether the corporation has made sustained innovation efforts in relation to the invention.

Where an amount (in this paragraph and in the fourth paragraph referred to as the “increased amount”), in respect of which the corporation could claim a deduction under a particular provision of this Act in computing its taxable income or tax payable under Part I for a preceding taxation year referred to in the first paragraph (in this paragraph and in the fourth paragraph referred to as the “computation year”) for the purpose of determining its notional tax for the computation year, is greater than the amount (in this paragraph and in the fourth paragraph referred to as the “deducted amount”) that the corporation deducted under the particular provision for the purpose of determining its real tax for the computation year, the increased amount rather than the deducted amount may be taken into account, for the purpose of determining the corporation’s notional tax for the computation year, if

(a) the corporation so requests in writing to the Minister; and

(b) it may reasonably be considered that the amount by which the increased amount exceeds the deducted amount has not been deducted under the particular provision or another provision of this Act for the purpose of determining the corporation's tax payable under Part I for any other taxation year, nor for the purpose of determining a tax of the corporation for any taxation year that is similar in nature to the corporation's notional tax and is provided for in another part of this Act.

If the third paragraph applies, the amount by which the increased amount exceeds the deducted amount is deemed, for the purpose of determining the corporation's notional tax for any taxation year subsequent to the computation year and for the application of Part I to the tax liability year and to any subsequent taxation year, to have been deducted under the particular provision in computing the corporation's taxable income or tax payable, as the case may be, under Part I for the computation year.

“1175.28.0.3. The tax paid to the Minister by a corporation at any time in a taxation year under section 1175.28.0.2 is deemed, for the purposes of the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, to be a tax paid by the corporation under Part I for that taxation year.

“1175.28.0.4. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

223. Section 1175.28.14 of the Act, amended by section 390 of chapter 1 of the statutes of 2017, is again amended by replacing paragraphs *a* and *a.1* by the following paragraphs:

“(a) the portion of that tax that is determined under subparagraph *a* of the third paragraph of that section is deemed, for the purposes of the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, to be a tax that the person pays under Part I for that taxation year;

“(a.1) the portion of that tax that is determined under subparagraph *a* of the third paragraph of that section and that may reasonably be considered as relating to a deduction under any of Titles III.3, III.4 and III.5 of Book V of Part I in relation to an expense is deemed to be, for the purposes of Part I, except for that Title III.3, that Title III.4 and Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX or that Title III.5, as the case may be, and the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.167, an amount of assistance repaid at that time by the person in respect of the expense pursuant to a legal obligation;”.

ACT RESPECTING ADMINISTRATIVE JUSTICE

224. Section 21 of the Act respecting administrative justice (chapter J-3) is amended by replacing subparagraph 4 of the second paragraph by the following subparagraph:

“(4) under section 1029.8.61.41 of the Taxation Act (chapter I-3), to contest a decision determining whether a child is a child to whom the first paragraph of section 1029.8.61.19 or 1029.8.61.19.1 of that Act applies.”

ACT RESPECTING LABOUR STANDARDS

225. (1) Section 39.0.1 of the Act respecting labour standards (chapter N-1.1) is amended by adding the following paragraph after paragraph 16 of the definition of “employer subject to contribution” in the first paragraph:

“(17) an international governmental organization whose head office is in Québec;”.

(2) Subsection 1 is declaratory.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

226. (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by adding the following paragraph after paragraph 15:

“(16) the tax credit for major digital transformation projects provided for in sections 1029.8.36.0.3.84 to 1029.8.36.0.3.87 of the Taxation Act.”

(2) Subsection 1 has effect from 18 March 2016.

227. (1) Section 6.4 of Schedule A to the Act is amended by replacing the third paragraph by the following paragraph:

“Similarly, a title that is part of another title produced by a corporation having no establishment in Québec is deemed to meet the conditions of the first paragraph if it is established to Investissement Québec’s satisfaction that the other title meets those conditions. This presumption also applies where the other title is produced by a corporation having an establishment in Québec, but only for the purposes of the first paragraph of section 6.3.”

(2) Subsection 1 applies in respect of an application for a certificate filed after 28 March 2017.

228. (1) Section 6.5 of Schedule A to the Act is amended by replacing the third paragraph by the following paragraph:

“Similarly, a title that is part of another title produced by a corporation having no establishment in Québec is deemed to meet the conditions of the first paragraph if it is established to Investissement Québec’s satisfaction that the other title meets those conditions. This presumption also applies where the other title is produced by a corporation having an establishment in Québec, but only for the purposes of the first paragraph of section 6.3.”

(2) Subsection 1 applies in respect of an application for a certificate filed after 28 March 2017.

229. (1) Schedule A to the Act is amended by inserting the following section after section 13.13:

“**13.13.1.** Investissement Québec may not issue an employee certificate in respect of an individual to a corporation for a taxation year or part of the taxation year, if a certificate in respect of the individual has been issued, for the same year or part of year, under Division III of Chapter XVII.”

(2) Subsection 1 has effect from 18 March 2016.

230. (1) Schedule A to the Act is amended by adding the following after section 16.5:

“CHAPTER XVII

“SECTORAL PARAMETERS OF TAX CREDIT FOR MAJOR DIGITAL TRANSFORMATION PROJECTS

“DIVISION I

“INTERPRETATION AND GENERAL RULES

“**17.1.** In this chapter, unless the context indicates otherwise,

“eligibility period” in relation to an eligible digitization contract of a corporation has the meaning assigned by section 1029.8.36.0.3.84 of the Taxation Act;

“job maintenance period” in relation to an eligible digitization contract of a corporation means the period beginning on the day that follows the last day of the eligibility period in relation to the eligible digitization contract and ending on the last day of the seven-year period that follows the time the eligible digitization activities provided for in that contract began to be carried out;

“tax credit for major digital transformation projects” means the fiscal measure provided for in Division II.6.0.1.10 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year.

“17.2. To benefit from the tax credit for major digital transformation projects, a corporation must obtain the following certificates from Investissement Québec:

(1) a certificate in respect of an eligible digitization contract (in this chapter referred to as a “contract certificate”); and

(2) a certificate in respect of each individual for whom the corporation claims the tax credit (in this chapter referred to as an “employee certificate”).

The employee certificate must be obtained for each taxation year for which the corporation intends to claim the tax credit.

The corporation must file an application for a certificate,

(1) in the case of a contract certificate, before the time the eligible digitization activities provided for in the contract begin to be carried out; or

(2) in the case of an employee certificate, within a reasonable time after the end of the taxation year for which the application for the certificate is made.

“DIVISION II

“CONTRACT CERTIFICATE

“17.3. A contract certificate issued to a corporation certifies that the contract referred to in the certificate is recognized as an eligible digitization contract for the purposes of the tax credit for major digital transformation projects.

“17.4. A contract entered into by a corporation may be recognized as an eligible digitization contract, if

(1) the contract is entered into after 17 March 2016 and before 1 January 2019;

(2) the contract is not a renewal or extension of an existing contract;

(3) the contract provides for the carrying out of eligible digitization activities for another person for a minimum period of seven years that begins on the day the activities begin to be carried out;

(4) the eligible digitization activities provided for in the contract result from activities that were entirely carried out outside Québec by another person for a minimum period of 24 months before the contract is entered into; and

(5) the carrying out of the contract gives rise to the creation, within a reasonable time after the eligible digitization activities provided for in the contract begin to be carried out, of at least 500 jobs in Québec held by individuals who meet the conditions of the first paragraph of section 17.10 and that minimum number of jobs is maintained until the end of a seven-year period following the time those activities begin to be carried out.

“17.5. To determine whether a corporation meets the requirements relating to the creation and maintenance of a minimum number of 500 jobs set out in paragraph 5 of section 17.4 in relation to the carrying out of a contract, the following rules must be taken into account:

(1) the creation of a job in relation to the contract materializes, following the hiring of a new employee by the corporation, only once the duties of that employee begin to be carried on;

(2) subject to paragraph 3, an individual is considered to be a new employee of a corporation only if the employee has rendered no remunerated services to the corporation for a minimum period of 24 months before the contract is entered into; and

(3) a maximum number of 100 employees may be considered to be new employees even if they have already rendered remunerated services to the corporation during the period provided for in paragraph 2.

“17.6. A corporation must send Investissement Québec, for each taxation year included in the job maintenance period in relation to an eligible digitization contract of the corporation, a prescribed form containing prescribed information to establish to Investissement Québec’s satisfaction that a minimum number of 500 jobs are being held throughout that period, by individuals who meet the conditions of the first paragraph of section 17.10.

The form must be sent to Investissement Québec within a reasonable time after the end of the taxation year referred to in the first paragraph.

The failure of a corporation to send the form in accordance with this section entails the revocation of the contract certificate issued in respect of the contract.

“17.7. The requirement relating to the maintenance of a minimum number of 500 jobs set out in paragraph 5 of section 17.4 is deemed to be met, in relation to an eligible digitization contract of a corporation, if the corporation establishes to Investissement Québec’s satisfaction that if it does not meet the requirement it is because of exceptional circumstances beyond its control, such as the departure of employees and the impossibility of immediately filling the positions left vacant.

“17.8. An eligible digitization activity is an activity provided for in a contract entered into by a corporation to allow the digital transformation of traditional functions that were previously carried out outside Québec by another person and includes the following activities:

(1) the operation of an e-business solution, such as the processing of electronic transactions through a transactional website;

(2) the management or operation of computer systems, applications or infrastructures stemming from e-business activities, including

(a) the management of e-business processing centres,

(b) the management of remote operations centres,

(c) the management of networks and systems, including systems monitoring,

(d) the operation of business process outsourcing services related to the operation of an e-business solution (back office), and

(e) the management of business processes associated with the internal operation of an e-business solution (internal back office);

(3) the operation of a customer relations centre, including

(a) the operation of an existing customer relations management service stemming from e-business activities, and

(b) the operation of a first-level administrative or technical assistance service for businesses and customers, related to the use of an e-business solution, such as taking calls or emails, user support in the use of systems, applications and features, monitoring and recording of requests, initial diagnosis and advice to resolve incidents or problems, referral of information concerning such incidents or problems to more specialized persons for resolution, and resetting passwords;

(4) hardware installation;

(5) training activities;

(6) claims processing;

(7) risk monitoring and control; and

(8) product profitability analysis.

“DIVISION III**“EMPLOYEE CERTIFICATE**

“17.9. An employee certificate issued to a corporation certifies that the individual referred to in the certificate is recognized as an eligible employee of the corporation for the taxation year for which the application for the certificate was made or for the part of the year specified in it.

“17.10. An individual may be recognized as an eligible employee of a corporation, if

(1) the individual works full-time for the corporation, that is, at least 26 hours per week, for an expected minimum period of 40 weeks, in the course of carrying out one or more eligible digitization contracts;

(2) the individual spends at least 75% of working time performing duties that consist in undertaking or directly supervising eligible digitization activities carried out under one or more eligible digitization contracts; and

(3) the individual is identified in respect of a single eligible digitization contract for the purpose of determining whether the corporation meets the requirements relating to the creation and maintenance of a minimum number of 500 jobs set out in paragraph 5 of section 17.4.

For the purposes of subparagraph 2 of the first paragraph, the following rules apply:

(a) where part of an individual’s duties consist in undertaking or directly supervising eligible activities described in section 13.11, that part of the individual’s duties is deemed to consist in the carrying out of eligible digitization activities under an eligible digitization contract; and

(b) an individual’s administrative tasks may not be considered to be part of duties that consist in undertaking or directly supervising eligible digitization activities.

In this section, “administrative tasks” include tasks relating to operations management, accounting, finance, legal affairs, public relations, communications, contract solicitation, and human and physical resources management.

“17.11. For the purposes of the first paragraph of section 17.10, if an individual is temporarily absent from work for reasons Investissement Québec considers reasonable, the individual is deemed to have continued to perform his or her duties throughout the period of absence exactly as he or she was performing them immediately before the beginning of that period.

“17.12. Investissement Québec may not issue an employee certificate in respect of an individual to a corporation for a taxation year or part of the taxation year, if a certificate in respect of the individual has been issued, for the same year or part of year, under Division III of Chapter XIII.”

(2) Subsection 1 has effect from 18 March 2016.

231. (1) Section 6.7 of Schedule E to the Act is amended by inserting the following paragraph after the first paragraph:

“For the purposes of subparagraph 2 of the first paragraph, services rendered by a corporation as a manager of an investment fund that is a trust or a limited partnership are deemed to be services rendered to a client with whom the corporation is dealing at arm’s length where, at no time in all or part of the taxation year for which the application for the certificate is filed, more than 10% of the securities held by the investment fund are owned, alone or collectively, by the corporation or by a person or partnership with whom the corporation is not dealing at arm’s length, other than the trust or limited partnership, as the case may be.”

(2) Subsection 1 has effect from 19 December 2015. In addition, where section 6.7 of Schedule E to the Act applies in respect of all or part of a taxation year that includes that date, subsection 1 applies to that taxation year or to that part of the taxation year and the certificate may be issued only for the period that follows 18 December 2015.

232. (1) Section 9.5 of Schedule H to the Act is amended by replacing subparagraph 3 of the first paragraph by the following subparagraph:

“(3) in the case of a multimedia environment, it must be produced under a contract that concerns the design and production of such an environment to be presented outside Québec and that the corporation entered into with a person with whom the corporation deals at arm’s length;”.

(2) Subsection 1 applies in respect of a production whose first presentation before an audience occurs after 28 March 2017 and for which, if applicable, an application for an advance ruling is filed after that date.

ACT RESPECTING THE RÉGIE DE L’ASSURANCE MALADIE DU QUÉBEC

233. (1) Section 34 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5) is amended by adding the following subparagraph after subparagraph *e* of the seventh paragraph:

“(f) in respect of the wages paid or deemed to be paid by an employer that is an international governmental organization whose head office is situated in Québec, unless the organization consents to pay a contribution in respect of those wages.”

(2) Subsection 1 is declaratory.

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

235. Section 34.1.4 of the Act is amended by replacing subparagraph 1 of subparagraph *iv* of paragraph *a* by the following subparagraph:

“(1) section 310 of that Act, to the extent that that section refers to section 931.1 or 961.17.0.1 of that Act.”.

236. (1) Section 34.1.5 of the Act is amended by adding the following paragraphs after paragraph *c*:

“(d) the individual may deduct, in computing the individual’s total income for the year, an amount equal to the particular amount the individual deducts for the year in computing the individual’s taxable income under section 726.42 of the Taxation Act; and

“(e) an individual who, in computing the individual’s total income for a preceding year, deducted an amount under paragraph *d* in respect of a particular amount shall include in that computation for the year an amount equal to the amount the individual is required to include in computing the individual’s taxable income for the year under section 726.43 of the Taxation Act in respect of the particular amount.”

(2) Subsection 1 applies from the year 2016.

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

(1) by replacing subparagraphs *i* to *iv* by the following subparagraphs:

“i. \$15,570 where, for the year, the individual has no eligible spouse and no dependent child,

“ii. \$25,230 where, for the year, the individual has no eligible spouse but has one dependent child,

“iii. \$28,585 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“iv. \$25,230 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

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

“(1) \$28,585 where the individual has one dependent child for the year, or

“(2) \$31,685 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2016.

238. (1) Section 37.17 of the Act is amended, in subparagraph *a* of the first paragraph,

(1) by striking out subparagraph i;

(2) by replacing subparagraphs ii and iii by the following subparagraphs:

“ii. if the individual’s income for the year does not exceed \$134,095, an amount equal to zero, or

“iii. if the individual’s income for the year is greater than \$134,095, an amount equal to the lesser of \$1,000 and 4% of the amount by which that income exceeds \$134,095;”.

(2) Subsection 1 applies from the year 2016.

ACT RESPECTING THE QUÉBEC PENSION PLAN

239. (1) Section 3 of the Act respecting the Québec Pension Plan (chapter R-9) is amended by replacing paragraph *h* by the following paragraph:

“(h) employment in Québec by another government or by an international organization, unless the employment is pensionable under a regulation made under paragraph *e* of section 4 or, in the case of employment in Québec by an international organization, if it is agreed to consider it to be pensionable employment under the terms of an agreement entered into between the Government and that organization;”.

(2) Subsection 1 is declaratory.

240. Section 4 of the Act is amended by replacing paragraph *e* by the following paragraph:

“(e) pursuant to an agreement entered into between Retraite Québec and another government or an international organization, employment in Québec by such government or organization;”.

VOLUNTARY RETIREMENT SAVINGS PLANS ACT

241. (1) Section 45 of the Voluntary Retirement Savings Plans Act (chapter R-17.0.1) is amended by replacing the third paragraph by the following paragraph:

“The obligations described in the second paragraph do not apply with respect to

(1) eligible employees who

(a) have the opportunity to make contributions, through payroll deductions, to a designated registered retirement savings plan or a designated tax-free savings account, within the enterprise of the employer; or

(b) belong to a category of employees who benefit from a registered pension plan within the meaning of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to which the employer is party; and

(2) an employer that is an international governmental organization whose head office is in Québec.”

(2) Subsection 1 has effect from 1 July 2014.

242. (1) Section 48 of the Act is amended by replacing “subparagraph 1 or 2” in the first paragraph by “subparagraph *a* or *b* of subparagraph 1”.

(2) Subsection 1 has effect from 1 July 2014.

BUSINESS CORPORATIONS ACT

243. (1) Section 495 of the Business Corporations Act (chapter S-31.1) is amended by replacing “Minister of Revenue” by “Minister of Employment and Social Solidarity”.

(2) Subsection 1 has effect from 1 April 2017.

ACT RESPECTING THE QUÉBEC SALES TAX

244. (1) Section 1 of the Act respecting the Québec sales tax (chapter T-0.1) is amended by replacing subparagraphs i and ii of subparagraph *a* of paragraph 2 of the definition of “pension plan” by the following subparagraphs:

“i. solely for the administration of the plan, or

“ii. for the administration of the plan and for no other purpose other than acting as trustee of, or administering, a trust governed by a retirement compensation arrangement, within the meaning of section 1 of the Taxation Act, where the terms of the arrangement provide for benefits only in respect of individuals who are provided with benefits under the plan, and”.

(2) Subsection 1 has effect from 14 December 2012.

245. (1) The Act is amended by inserting the following section after section 15.1:

“**15.2.** For the purposes of this Title, a local authority, other than a local authority referred to in subparagraph *b* of paragraph 2 of the definition of “municipality” in section 1, that files an application with the Minister of National Revenue to be determined to be a municipality under paragraph *b* of the definition of “municipality” in subsection 1 of section 123 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) shall, at that time, file an application with the Minister of Revenue to be determined to be a municipality under subparagraph *a* of paragraph 2 of the definition of “municipality” in section 1.”

(2) Subsection 1 has effect from 1 January 2014.

246. (1) Section 17.0.1 of the Act is amended by replacing “*Hebdo Mag Inc.*” in paragraph 1 by “Société Trader Corporation”.

(2) Subsection 1 has effect from 8 February 2017.

247. (1) Section 55.0.2 of the Act is amended by replacing “*Hebdo Mag Inc.*” in paragraph 1 by “Société Trader Corporation”.

(2) Subsection 1 has effect from 8 February 2017.

248. (1) Section 81 of the Act is amended by striking out “paragraph 2 of section 198” in paragraph 7.

(2) Subsection 1 has effect from 1 April 2013.

249. (1) Section 138.1 of the Act is amended by adding the following paragraph after paragraph 15:

“(16) a service rendered to an individual for the purpose of enhancing or otherwise altering the individual’s physical appearance and not for medical or reconstructive purposes or a right entitling a person to such a service.”

(2) Subsection 1 applies in respect of a supply made after 22 March 2016.

250. (1) Section 176 of the Act is amended

(1) by replacing paragraph 20 by the following paragraph:

“(20) a supply of an insulin infusion pump, insulin syringe, insulin pen or insulin pen needle;”;

(2) by inserting the following paragraph after paragraph 24:

“(24.1) a supply of an intermittent urinary catheter if the catheter is supplied on the written order of a specified professional for use by a consumer named in the order;”.

(2) Paragraph 1 of subsection 1 applies in respect of

(1) a supply made after 22 March 2016; and

(2) a supply made before 23 March 2016 unless, before that day, an amount was charged, collected or remitted as or on account of tax under Title I of the Act in respect of the supply.

(3) Paragraph 2 of subsection 1 applies in respect of a supply made after 22 March 2016.

251. (1) Section 197 of the Act is amended by replacing “paragraphs 1 to 6” in paragraph 8 by “paragraphs 2 to 6”.

(2) Subsection 1 applies in respect of a supply of a freight transportation service made after 31 December 2012.

252. (1) Section 350.50 of the Act is amended by replacing “zero-rated supplies” in subparagraph 3 of the second paragraph by “exempt supplies”.

(2) Subsection 1 has effect from 1 February 2016 or from the date, if before 1 February 2016 but after 1 September 2015, on which an operator or person referred to in section 350.52.1 of the Act activates in an establishment a device referred to in section 350.52 of the Act with regard to that establishment. In addition, where section 350.50 of the Act applies after 31 August 2010 but before 1 February 2016 or before the date, if before 1 February 2016 but after 1 September 2015, on which an operator or person referred to in section 350.52.1 of the Act activates in an establishment a device referred to in section 350.52 of the Act with regard to that establishment, it is to be read as if “zero-rated supplies” in paragraph 6 of the definition of “establishment providing restaurant services” were replaced by “exempt supplies”.

253. (1) The Act is amended by inserting the following section after section 383:

“383.1. A person, other than a person referred to in paragraph 2 of the definition of “municipality” in section 383, that files an application with the Minister of National Revenue to be designated to be a municipality for the purposes of section 259 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) shall, at that time, file an application with the Minister of Revenue to be designated to be a municipality in accordance with paragraph 1 of that definition for the purposes of this subdivision.”

(2) Subsection 1 has effect from 1 January 2014.

254. (1) Section 386 of the Act is amended by replacing the portion before subparagraph 1 of the first paragraph by the following:

“386. Subject to sections 386.2 and 387, a person who, on the last day of a claim period of the person or of the fiscal year of the person that includes that claim period, is resident in Québec and is a selected public service body, a charity or a qualifying non-profit organization is entitled to a rebate for the claim period equal to one of the following percentages, as the case may be, of the non-refundable input tax charged in respect of property or a service, other than a prescribed property or service:”

(2) Subsection 1 applies in respect of a claim period that begins after 30 June 2016.

255. (1) Section 386.1.1 of the Act is amended by replacing the portion before the formula in the first paragraph by the following:

“386.1.1. Subject to sections 386.2, 386.3 and 387, a person that, on the last day of the person’s claim period or of the person’s fiscal year that includes that period, is resident in Québec and is designated to be a municipality for the purposes of this subdivision in respect of activities specified in the designation (in this section referred to as “specified activities”) is entitled to a rebate in respect of property or a service, other than a prescribed property or service, equal to the total of all amounts each of which is an amount determined by the formula”.

(2) Subsection 1 applies in respect of a claim period that begins after 30 June 2016.

256. (1) Section 388.2 of the Act is amended by replacing the first paragraph by the following paragraph:

“Ville de Montréal, in respect of a year that begins after 1996 and ends before 2017, Ville de Québec, in respect of a year that begins after 1996, and Ville de Laval, in respect of a year that begins after 2000, are entitled, in addition to the rebate provided for in section 386, to compensation paid by the Minister before 30 June each year.”

(2) Subsection 1 has effect from 1 January 2017.

257. (1) Section 457.2 of the Act is amended by replacing subparagraph 2 of the third paragraph by the following subparagraph:

“(2) in relation to the operation of a tourist accommodation establishment that is a tourist home or bed and breakfast establishment, within the meaning of the regulations made under the Act respecting tourist accommodation establishments (chapter E-14.2) where the registrant holds a classification certificate of the appropriate class issued under that Act.”

(2) Subsection 1 has effect from 15 April 2016.

ACT TO GIVE EFFECT TO THE BUDGET SPEECH DELIVERED ON 4 JUNE 2014 AND TO VARIOUS OTHER FISCAL MEASURES

258. (1) Section 533 of the Act to give effect to the Budget Speech delivered on 4 June 2014 and to various other fiscal measures (2015, chapter 21) is amended by striking out subparagraph *b* of paragraph 2 and paragraph 3 of subsection 4.

(2) Subsection 1 has effect from 21 October 2015.

ACT TO GIVE EFFECT MAINLY TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 17 MARCH 2016

259. (1) Section 358 of the Act to give effect mainly to fiscal measures announced in the Budget Speech delivered on 17 March 2016 (2017, chapter 1) is amended by replacing subsection 3 by the following subsection:

“(3) In addition, where subparagraph *a* or *b* of the second paragraph of section 1079.8.10 of the Act applies before 8 February 2017, a taxpayer is deemed to have filed the information return within the time limit provided for in that subparagraph if the taxpayer files the return on or before 9 April 2017.”

(2) Subsection 1 has effect from 8 February 2017.

REGULATION RESPECTING THE TAXATION ACT

260. (1) Section 1029.8.61.19R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is replaced by the following section:

“1029.8.61.19R1. The rules to which section 1029.8.61.19 of the Act refers for the purpose of determining if a child has an impairment or a mental function disability that substantially limits the child in performing the life habits of a child of his or her age during a foreseeable period of at least one year are those set out in sections 1029.8.61.19R2 to 1029.8.61.19R6.

For the purposes of the first paragraph, life habits are the life habits that a child should perform, for the child’s age, to take care of himself or herself and participate in social life and that consist of nutrition, personal care, mobility, communication, interpersonal relationships, responsibilities and education.”

(2) Subsection 1 applies in respect of an application filed with Retraite Québec after 22 June 2016 and in respect of an application filed with Retraite Québec before 23 June 2016 for which no decision has been rendered before that date.

261. (1) Section 1029.8.61.19R2 of the Regulation is amended

(1) by replacing the first and second paragraphs by the following paragraphs:

“A child whose condition during a foreseeable period of at least one year corresponds to any of the cases specified in Schedule A is presumed to be handicapped within the meaning of section 1029.8.61.19R1.

In all other cases, the extent of the child’s limitations in performing the life habits of a child of his or her age is to be assessed on the basis of the outcome, for the child’s life habits in his or her various living environments, of the interaction between the following criteria:

(a) the disabilities resulting from the impairment or the mental function disability; and

(b) the environmental factors as facilitators of, or barriers to, the performance of life habits.”;

(2) by striking out the third, fourth and fifth paragraphs.

(2) Paragraph 1 of subsection 1, where it replaces the first paragraph of section 1029.8.61.19R2 of the Regulation, applies in respect of an application filed with Retraite Québec after 23 September 2016 and in respect of an application filed with Retraite Québec before 24 September 2016 for which no decision has been rendered before that date.

(3) Paragraph 1 of subsection 1, where it replaces the second paragraph of section 1029.8.61.19R2 of the Regulation, and paragraph 2 of subsection 1 apply in respect of an application filed with Retraite Québec after 22 June 2016 and in respect of an application filed with Retraite Québec before 23 June 2016 for which no decision has been rendered before that date.

262. (1) Sections 1029.8.61.19R3 to 1029.8.61.19R5 of the Regulation are replaced by the following sections:

“1029.8.61.19R3. A child whose condition corresponds to a case mentioned in Schedule A is not presumed to be handicapped within the meaning of section 1029.8.61.19R1 if the child is covered by an exclusion prescribed in that Schedule for that case or if the assessment parameters prescribed in that Schedule in relation to that case are not complied with.

“1029.8.61.19R4. An impairment is manifested by a persistent histological, anatomical or metabolic alteration of any of the organ systems or by the persistent alteration of the corresponding physiological function.

The alteration must be confirmed by objective signs through a physical examination, biological tests or medical imaging or, for the visual system or the hearing system, a recognized measurement of visual acuity or hearing. The results must be attested to by a member of a professional order.

“1029.8.61.19R5. A mental function disability is manifested by clinically significant and persistent disturbances in a child’s cognition, language, behaviour and emotional regulation that hinder or delay the integration of experiences and learning or compromise the child’s adaptation.

The disability must be assessed by a member of a professional order according to the practice guides and guidelines established by the professional order to which the member belongs.

The assessment report must include, among other things, an anamnesis, an analysis of the results of the normalized tests, the observations obtained from significant persons on the child’s functioning in his or her various living environments and a description of the child’s abilities and disabilities in connection with the diagnosed disability.

Where a normalized test is used, the derived score must be expressed in percentiles, standard deviations or quotients and the confidence interval must be stated in the professional’s report.

A normalized test is a test where the raw score is converted into a relative measure that allows the child’s profile to be ranked in relation to a normative group.

If the profile of the child assessed does not directly correspond to the normative group of reference for the tests used due to language or culture, the professional's report must include a qualitative analysis describing the child's abilities and disabilities to allow the corroboration of the scores obtained on the tests."

(2) Subsection 1, where it replaces section 1029.8.61.19R3 of the Regulation, applies in respect of an application filed with Retraite Québec after 23 September 2016 and in respect of an application filed with Retraite Québec before 24 September 2016 for which no decision has been rendered before that date.

(3) Subsection 1, where it replaces sections 1029.8.61.19R4 and 1029.8.61.19R5 of the Regulation, applies in respect of an application filed with Retraite Québec after 22 June 2016 and in respect of an application filed with Retraite Québec before 23 June 2016 for which no decision has been rendered before that date.

263. (1) Section 1029.8.61.19R6 of the Regulation is amended

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

"Impairments and mental function disabilities are not presumed to substantially limit the performance of life habits of a child before the beginning of diagnostic intervention, or if they affect a function that is not yet developed in a healthy child.";

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

"If a child's state of health can be improved by a therapeutic intervention, recognized by the scientific community, the extent of the child's limitations in performing the life habits of a child of his or her age is assessed once the treatment is implemented."

(2) Subsection 1 applies in respect of an application filed with Retraite Québec after 22 June 2016 and in respect of an application filed with Retraite Québec before 23 June 2016 for which no decision has been rendered before that date.

264. (1) The Regulation is amended by inserting the following sections after section 1029.8.61.19R6:

"1029.8.61.19.1R1. The rules to which the first paragraph of section 1029.8.61.19.1 of the Act refers for the purpose of determining if a child is in either of the situations described in subparagraphs *a* and *b* of that paragraph are the rules prescribed in sections 1029.8.61.19.1R2 to 1029.8.61.19.1R5.

“1029.8.61.19.1R2. Sections 1029.8.61.19R4 to 1029.8.61.19R6 apply, with the necessary modifications, for determining if a child has an impairment or a designated mental function disability entailing serious and multiple disabilities that prevent the child from independently performing the life habits of a child of his or her age.

For that purpose, a designated mental function disability means a mental function disability that is characterized by a severe or profound intellectual disability or by an autism spectrum disorder associated with an intellectual disability and a severe behavioural disorder.

“1029.8.61.19.1R3. A child who has an impairment or a designated mental function disability entailing serious and multiple disabilities is considered to have disabilities preventing him or her from independently performing the life habits of a child of his or her age only if the outcome of the interaction between the child’s disabilities and the environmental factors as facilitators of, and barriers to, the performance of the child’s life habits in the child’s various living environments causes,

(a) if the child is less than four years of age, an absolute limitation in performing the life habits that are nutrition, mobility and communication; and

(b) if the child is four years of age or over,

i. an absolute limitation in performing five life habits and a serious or absolute limitation in performing at least one other life habit, or

ii. an absolute limitation in performing four life habits, including mobility, and a serious or absolute limitation in performing at least two other life habits.

“1029.8.61.19.1R4. A child whose state of health requires specified complex medical care at home is considered to be limited in performing the life habits of a child of his or her age only if the child has

(a) an absolute limitation in performing a life habit, other than that relating to interpersonal relationships; or

(b) a serious limitation in performing two life habits, other than that relating to interpersonal relationships.

“1029.8.61.19.1R5. For the purposes of sections 1029.8.61.19.1R3 and 1029.8.61.19.1R4,

(a) the life habits that may be taken into consideration are those prescribed in the second paragraph of section 1029.8.61.19R1; and

(b) a limitation in performing a life habit is

i. absolute, where the child absolutely cannot independently perform the life habit according to his or her age, despite the existence of environmental factors that are facilitators, or

ii. serious, where the child always or almost always has a serious difficulty in independently performing that life habit according to his or her age, despite the existence of environmental factors that are facilitators.”

(2) Subsection 1 has effect from 1 April 2016.

265. (1) Schedule A to the Regulation is amended

(1) by replacing all occurrences of “Assessment methods” in Part 1 by “Assessment parameters”;

(2) by replacing Part 2 by the following Part:

“2. MENTAL FUNCTION DISABILITIES

2.1 Global developmental delay

Presumed cases of serious handicap

A child is presumed to be handicapped within the meaning of section 1029.8.61.19R1 if the child is at least two years of age and less than six years of age and meets at least two of the following criteria:

(a) the child’s full scale intelligence quotient or the scale scores assessing the child’s level of cognitive development are in the 2nd percentile or below, for a confidence interval of 95%;

(b) the global scores on a test assessing the child’s global and fine motor skills are in the 2nd percentile or below; and

(c) the scores on a receptive vocabulary test normalized for the child’s population group are in the 2nd percentile or below.

Assessment parameters

The assessments must be conducted by a member of a professional order, through recognized normalized tests and in accordance with the applicable standards of practice, when the child is at least two years of age and less than six years of age.

The professional’s assessment report must contain a description of the child’s abilities and disabilities and the professional’s observations and enable Retraite Québec to rule on the validity of the scores obtained.

Exclusion

A child who has not been exposed on a sustained basis, for a period of at least two years, to the language used in the assessment tests is not presumed to be handicapped due to a global developmental delay. In that respect, a child will be considered to be exposed on a sustained basis to the language used in a test if, for at least 40% of the child's waking hours, the child interacts with a person who is proficient in that language.

2.2 Intellectual disability

Presumed cases of serious handicap

A child is presumed to be handicapped within the meaning of section 1029.8.61.19R1 in the following cases:

(a) the child is six years of age or over and has a full scale intellectual quotient of 50 or less, for a confidence interval of 95%; or

(b) the child is six years of age or over and meets the following criteria:

– the child's full scale intellectual quotient is in the 2nd percentile or below, for a confidence interval of 95%;

– the assessment of the child's adaptive behaviours shows that the score on one of the three components assessed among the conceptual, social and practical components, or the overall score of those three components, is in the 2nd percentile or below, for a confidence interval of 95%, in at least two of the child's living environments.

Assessment parameters

The assessments must be conducted by a member of a professional order, through recognized normalized tests and in accordance with the applicable standards of practice, when the child is six years of age or over.

The professional's assessment report must contain a description of the child's abilities and disabilities and the professional's observations and enable Retraite Québec to rule on the validity of the scores obtained.

Exclusion

A child who has not been exposed on a sustained basis, for a period of at least two years, to the language used in the assessment tests is not presumed to be handicapped due to an intellectual disability. In that respect, a child will be considered to be exposed on a sustained basis to the language used in a test if, for at least 40% of the child's waking hours, the child interacts with a person who is proficient in that language.

2.3 Autism spectrum disorder

Presumed cases of serious handicap

A child is presumed to be handicapped within the meaning of section 1029.8.61.19R1 in the following cases:

(a) the child is two years of age or over, has been diagnosed with an autism spectrum disorder and presents at least four of the following characteristics:

- the child does not use communicative gestures;
- the child does not show interest in other persons;
- the child does not respond to social smiles, even with people the child knows;
- the child does not have fun with others, even with people the child knows;
- the child does not share interests with other persons by showing or bringing objects;
- the child does not pay attention to an object that is pointed to by another person;
- the child does not respond verbally or non-verbally to verbal messages;
- the child does not imitate other people's behaviours;
- the child does not engage in functional play;

(b) the child is three years of age or over, has been diagnosed with an autism spectrum disorder and does not speak;

(c) the child is at least three years of age and less than six years of age, has been diagnosed with an autism spectrum disorder and meets at least two of the following criteria:

- the child's full scale intellectual quotient or the scale scores assessing the child's level of cognitive development have a standard deviation of 1.5 or more below average;
- the global scores at a test assessing the child's global and fine motor skills have a standard deviation of 1.5 or more below average;
- the scores of all the tests administered and assessing the receptive language have a standard deviation of 1.5 or more below average;

(d) the child is five years of age or over, has been diagnosed with an autism spectrum disorder and the child's full scale intellectual quotient is in the 5th percentile or below, for a confidence interval of 95%; or

(e) the child is four years of age or over, has been diagnosed with an autism spectrum disorder and, despite the application of therapeutic measures recommended by members of a professional order, the child

– throws temper tantrums in his or her various living environments, and the frequency, duration and intensity of the tantrums are high and significantly exceed the norm for the child's stage of development; or

– exhibits physically aggressive behaviours against himself or herself, or others, in his or her various living environments, the frequency and intensity of which are high and significantly exceed the norm for the child's stage of development.

Assessment parameters

The assessment leading to the diagnosis of autism spectrum disorder must be conducted when the child is two years of age or over. The disorder must be confirmed by an assessment report made by a member of a professional order.

The professional's assessment report must contain a description of the child's abilities and disabilities and the professional's observations and enable Retraite Québec to rule on the validity of the scores obtained, if applicable.

For the purposes of the analysis of a case prescribed in paragraph *a*, information on social communication and interactions must be corroborated by more than one source, in particular by the observations of the parents and childcare workers or school workers that are recorded in the professionals' assessment reports and by the observations made by those professionals during their interactions with the child.

For the purposes of the analysis of a case prescribed in paragraph *c*, the assessments must be made by a member of a professional order, through recognized normalized tests and in accordance with the applicable standards of practice, when the child is at least three years of age and less than six years of age, and the professional's assessment report must enable Retraite Québec to rule on the validity of the scores obtained.

For the purposes of the analysis of a case prescribed in paragraph *d*, the assessment must be made by a member of a professional order, through recognized normalized tests and in accordance with the applicable standards of practice, when the child is five years of age or over, and the professional's assessment report must enable Retraite Québec to rule on the validity of the scores obtained.

For the purposes of the analysis of a case prescribed in paragraph *e*, information on the nature, intensity, duration and frequency of the disruptive behaviours must be corroborated by more than one source, in particular by the observations of the parents and childcare workers or school workers that are recorded in the professionals' assessment reports and progress notes and by intervention plans at a childcare establishment, school or rehabilitation centre.

Exclusion

In the cases prescribed in paragraphs *c* and *d*, a child who has not been exposed on a sustained basis, for a period of at least two years, to the language used in the assessment tests is not presumed to be handicapped due to an autism spectrum disorder. In that respect, a child will be considered to be exposed on a sustained basis to the language used in a test if, for at least 40% of the child's waking hours, the child interacts with a person who is proficient in that language.

2.4 Language disorders

Presumed cases of serious handicap

A child is presumed to be handicapped within the meaning of section 1029.8.61.19R1 in the following cases:

(a) the child is two years of age or over and does not have at least four of the following prelinguistic skills:

- joint attention;
- motor imitation;
- oral imitation;
- use of communicative gestures;
- taking turns in communication;

(b) the child is three years of age or over and, in various contexts, expresses himself or herself by using isolated words, and it has been shown that the child does not understand the simple questions “who?”, “what?” and “where?” in relation to familiar objects or persons present in the immediate environment;

(c) the child is three years of age or over and has a persistent inability to pronounce words having two different syllables;

(d) the child is at least four years of age and less than six years of age, the scores obtained on formal assessment tests are corroborated by a qualitative analysis of the child's daily language skills and

- with respect to receptive language, the child obtains scores that are equal to or below the 5th percentile on at least three tests normalized for the child's population group and obtains no scores above the 5th percentile on any other test; or

- with respect to expressive language, at least two of the following language components are impaired:

- regarding vocabulary, the child obtains scores that are equal to or below the 5th percentile on at least one test normalized for the child's population group;

- regarding production of sounds, the child persistently and frequently makes a wide range of mistakes that are unusual for his or her age, making the child's speech unintelligible most of the time;

- regarding sentence structure, the child's statements are agrammatical and do not contain more than three or four words;

(e) the child is six years of age or over, the scores obtained on formal assessment tests are corroborated by a qualitative analysis of the child's daily language skills and

- with respect to receptive language, the child obtains scores that are equal to or below the 5th percentile on at least three tests normalized for the child's population group and obtains no scores above the 5th percentile on any other test; or

- with respect to expressive language, at least two of the following language components are impaired:

- regarding vocabulary, the child obtains scores that are equal to or below the 5th percentile on at least one test normalized for the child's population group;

- regarding production of sounds, the child persistently and frequently makes a wide range of mistakes that are unusual for his or her age, making the child's speech unintelligible most of the time;

- regarding sentence structure, the child uses simple syntactic structures, mostly without grammatical markers, and cannot use complex syntactic structures;

(f) the child is at least 9 years of age and less than 15 years of age and the child's oral or written language disorder delays his or her acquisition of reading and mathematics skills, with the result that they are below those of a child two-thirds his or her age;

(g) the child is at least 15 years of age and the child's oral or written language disorder delays his or her acquisition of reading and mathematics skills, which are no longer progressing beyond the second cycle of elementary education despite continuous schooling.

Assessment parameters

The language disorder must be assessed by a speech-language pathologist in accordance with the applicable standards of practice.

A speech-language pathology report for a particular case must describe the child's language skills for a period that may not precede the time the child reaches the minimum age prescribed for that case. The report must also describe interpreted data of the assessment of communication, speech and all the components of receptive and expressive language. The analysis is corroborated by more than one document, in particular by intervention plans at a childcare establishment, school or rehabilitation centre.

In the cases prescribed in paragraphs *d* and *e*, the three formal tests referred to respecting receptive language must demonstrate different aspects of comprehension. In that respect, a subtest that allows demonstrating a specific aspect of comprehension may count as a test.

In the case of children exposed to more than one language, the attending speech-language pathologist interprets the child's language data by taking explicit account of the multilingualism context, and the following information must be on file:

- the mother tongue or tongues, the language or languages commonly used and the dominant language or languages;
- the age of exposure, and the duration and percentage of exposure, to each of the languages.

Exclusion

A child who is assessed only in a language he or she is learning is not presumed to be handicapped due to language disorders, unless the child has been exposed on a sustained basis to that language for a period of at least two years. In that respect, a child will be considered to be exposed on a sustained basis to the language he or she is learning if, for at least 40% of the child's waking hours, the child interacts with a person who is proficient in that language.

2.5 Severe behavioural disorders

Presumed cases of serious handicap

A child is presumed to be handicapped within the meaning of section 1029.8.61.19R1, if the following criteria are met:

(a) the child is four years of age or over and exhibits at least two of the following behaviours:

- physical aggression against himself or herself or against other persons;
- defiance of authority that results in an obstinate refusal to follow instructions and comply with the rules in effect in the child’s environment;
- temper tantrums that significantly exceed the norm for the child’s stage of development;
- deliberate destruction of material objects;

(b) despite the application of therapeutic measures recommended by members of a professional order, the behaviours exhibited present all the following characteristics:

- high level of intensity;
- high frequency;
- consistency, that is, the behaviours exist in the child’s various living environments.

Assessment parameters

A behavioural disorder must be confirmed by an assessment report made by a member of a professional order. The professional’s assessment report must contain a description of the nature and severity of the disorder and of its academic, family and social consequences, a description of the child’s abilities and disabilities and the professional’s observations.

Exclusion

A child who has an attention deficit disorder with or without hyperactivity the symptomatology of which is controlled with medication is not presumed to be handicapped due to severe behavioural disorders.”

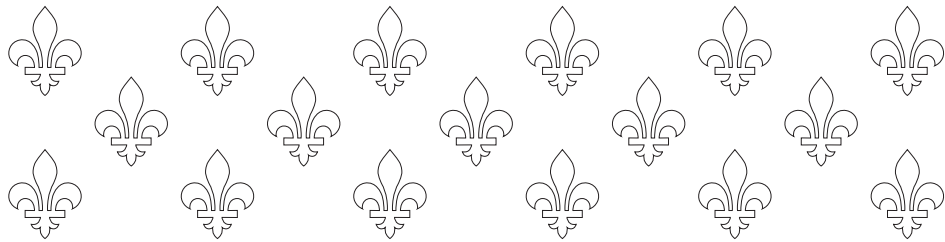
(2) Subsection 1 applies to a decision rendered by Retraite Québec after 31 December 2016.

REGULATION RESPECTING PENSIONABLE EMPLOYMENT

266. Section 21 of the Regulation respecting pensionable employment (chapter R-9, r. 6) is amended by replacing paragraph *a* by the following paragraph:

“(a) employment described in paragraph *h* of section 3 of the Act, in section 5 and in the first paragraph of section 8, where the employer has not signed any agreement or arrangement, as the case may be;”.

267. This Act comes into force on 7 December 2017.



NATIONAL ASSEMBLY

FIRST SESSION

FORTY-FIRST LEGISLATURE

Bill 154
(2017, chapter 30)

**An Act to implement certain
recommendations of the report of the
committee on the remuneration of
judges for 2016–2019**

**Introduced 14 November 2017
Passed in principle 21 November 2017
Passed 7 December 2017
Assented to 7 December 2017**

**Québec Official Publisher
2017**

EXPLANATORY NOTES

The purpose of this Act is to implement, with regard to the pension plan of presiding justices of the peace, the National Assembly resolution of 9 February 2017 concerning the recommendations of the report of the committee on the remuneration of judges for 2016–2019.

To that end, the Act provides that, from 1 January 2017, presiding justices of the peace participate in the pension plan of judges of the Court of Québec and of certain municipal courts, and in a plan providing for supplementary benefits, rather than continuing as members of the Pension Plan of Management Personnel.

The Act allows presiding justices of the peace, under certain conditions, to apply for years or parts of a year of service credited under the Pension Plan of Management Personnel while they held office as presiding justices of the peace to be transferred to the pension plan of judges of the Court of Québec and of certain municipal courts.

The Act maintains certain provisions applicable to the Pension Plan of Management Personnel as they read on 31 December 2016, for years or parts of a year of service that are not transferred to the pension plan of judges of the Court of Québec and of certain municipal courts.

In addition, the Act provides for an increase, as of 30 June 2019, in the contribution rate applicable to the pension plan of judges of the Court of Québec and of certain municipal courts and to the plan providing for supplementary benefits.

Lastly, the Act contains consequential amendments and includes miscellaneous and transitional provisions.

LEGISLATION AMENDED BY THIS ACT:

- Act respecting the Pension Plan of Management Personnel (chapter R-12.1);
- Courts of Justice Act (chapter T-16).

REGULATIONS AMENDED BY THIS ACT:

- Regulation respecting the partition and assignment of benefits accrued under the pension plans of the judges of the Court of Québec and of certain municipal courts (chapter T-16, r. 4);
- Supplementary benefits plan for judges covered by the pension plan provided for in Part V.1 of the Courts of Justice Act (chapter T-16, r. 6).

REGULATION ENACTED BY THIS ACT:

- Regulation respecting the pension plan provided for in Part V.1 of the Courts of Justice Act (2017, chapter 30, section 29).

Bill 154

AN ACT TO IMPLEMENT CERTAIN RECOMMENDATIONS OF THE REPORT OF THE COMMITTEE ON THE REMUNERATION OF JUDGES FOR 2016–2019

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

COURTS OF JUSTICE ACT

1. Section 122 of the Courts of Justice Act (chapter T-16) is amended

(1) by adding the following sentence at the end of the second paragraph: “It may, in addition, specify in the plan the years of service as a presiding justice of the peace in office to which the plan applies.”;

(2) in the fourth paragraph,

(a) by inserting “or 175” after “115”;

(b) by replacing “or judge responsible for the professional development of judges of the Court” by “, judge responsible for the professional development of judges of the Court or justice responsible for presiding justices of the peace”.

2. Section 122.3 of the Act is amended by inserting “and presiding justices of the peace” after “Québec” in the second paragraph.

3. Section 168 of the Act is amended by replacing “satisfies the requirements for eligibility for his or her pension” in the first paragraph by “is eligible for his or her pension under paragraph 1, 2 or 3 of section 224.3”.

4. Section 178 of the Act is repealed.

5. The heading of Part V.1 of the Act is replaced by the following heading:

“PENSION PLAN OF JUDGES OF THE COURT OF QUÉBEC, JUDGES
OF CERTAIN MUNICIPAL COURTS AND PRESIDING JUSTICES OF
THE PEACE”.

6. Section 224.1 of the Act is amended by inserting “, and to presiding justices of the peace” after “(chapter C-72.01)” in the second paragraph.

7. Section 224.2 of the Act is amended

(1) in the first paragraph,

(a) by replacing “to 8% of the judge’s annual salary. The contributions shall be reduced to 1% of the judge’s annual salary when the judge has accumulated 21.7 years of service and continues to hold office” by “to a percentage of the judge’s annual salary. That percentage is established by government regulation and may vary according to the conditions prescribed in the regulation”;

(b) by inserting “or 175” after “115”;

(c) by replacing “or judge responsible for the professional development of judges of the Court” by “, judge responsible for the professional development of judges of the Court or justice responsible for presiding justices of the peace”;

(2) in the second paragraph,

(a) by inserting “or 175” after “section 122.0.1”;

(b) by inserting “or 175” after “115”;

(c) by replacing “who is a party to an agreement granting leave with deferred pay under section 122.0.1 is the salary received by the judge in each of the years covered by the agreement” by “who is granted leave with deferred pay under section 122.0.1 or 175 is the salary received by the judge in each of the years the judge was on leave”.

8. The Act is amended by inserting the following section after section 224.3:

“224.3.1. The number of years and parts of a year of service considered for pension eligibility purposes under section 224.3, with respect to the years and parts of a year transferred in accordance with section 224.30, is

(1) for the purposes of paragraphs 2 and 4 of section 224.3, the number of years and parts of a year of service recognized for eligibility purposes under the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) that have been transferred; and

(2) for the purposes of paragraph 3 of section 224.3, half of the number of years and parts of a year of service recognized for eligibility purposes under the Act respecting the Pension Plan of Management Personnel that have been transferred.”

9. Section 224.4 of the Act is amended by replacing “paid with accrued interest” in the first paragraph by “the judge paid and those transferred to this pension plan, with accrued interest”.

10. Section 224.5 of the Act is amended by adding the following paragraph at the end:

“The contributions transferred to this pension plan also bear interest at the same rate from the date of their transfer until the first day of the month in which the payment of benefits begins or in which the contributions are refunded.”

11. Section 224.7 of the Act is amended

(1) in the first paragraph,

(a) by inserting the following subparagraph after subparagraph 1:

“(1.1) subsequent to 31 December 2016 and during which a presiding justice of the peace held judicial office or was granted leave without pay or leave with deferred pay under section 175, to the extent that the justice paid the contributions required under section 224.2, and subject to the applicable fiscal rules;”;

(b) by inserting “or pursuant to section 224.30” at the end of subparagraph 3;

(c) by adding the following subparagraph after subparagraph 4:

“(5) subsequent to 31 December 2016 and in respect of which a presiding justice of the peace receives benefits, as a salary replacement under an employee benefits plan established under section 175, including any year or part of a year during which the justice was relieved from duties under section 168.”;

(2) by adding the following sentence at the end of the third paragraph: “The same applies to years of service in respect of which a judge received a refund of the contributions transferred to this plan.”.

12. Section 224.9 of the Act is amended

(1) in the second paragraph,

(a) by inserting “or 175” after “115”;

(b) by replacing “or judge responsible for the professional development of judges of the Court” by “, judge responsible for the professional development of judges of the Court or justice responsible for presiding justices of the peace”;

(2) by replacing “covered by an agreement granting leave without pay or leave with deferred pay under section 122.0.1 is the salary that the judge would have received if the judge had not been a party to such an agreement” in the fifth paragraph by “during which the judge was granted leave without pay or leave with deferred pay under section 122.0.1 or 175 is the salary the judge would have received if the judge had not been granted such leave”.

13. Section 224.13 of the Act is amended by inserting “and those transferred to this plan” after “paid” in the second paragraph.

14. Section 224.15 of the Act is amended by replacing “dies before reaching 65 years of age and before the judge’s age and years of service total 80 or more” by “died before reaching 65 years of age and was not eligible for a pension under paragraph 3 of section 224.3”.

15. Section 224.22 of the Act is amended by replacing “the total of the contributions paid” in the first paragraph by “the total of the contributions paid and those transferred to this plan”.

16. Section 224.24 of the Act is amended by inserting “or under section 175” after “122”.

17. Section 224.26 of the Act is amended by inserting “, and of those transferred to this plan” after “2000”.

18. Section 224.29 of the Act is amended by adding the following paragraph at the end:

“The same applies to contributions transferred to this plan.”

19. The Act is amended by inserting the following sections after section 224.29:

“224.30. With regard to a person who held office as a presiding justice of the peace on 31 December 2016, the years and parts of a year credited under the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) while the person held office may be credited under the pension plan provided for in this Part on an actuarially equivalent basis established at 31 December 2016, if the application is received by Retraite Québec not later than 1 September 2018.

The years and parts of a year of service are so credited, beginning with the most recent service, until the actuarial value of the benefits established for those years and parts of a year of service under the pension plan provided for in this Part reaches the actuarial value of the benefits accrued by the person under the Pension Plan of Management Personnel, without exceeding the service credited to the person under that plan.

The actuarial value of the benefits accrued under the Pension Plan of Management Personnel is established in accordance with the actuarial economic assumptions and actuarial methods used in the actuarial valuation prepared in accordance with section 246.26 and on the basis of the data as at 31 December 2013 and the actuarial demographic assumptions used in the actuarial valuation of the Pension Plan of Management Personnel that was the subject of a report received by the Minister responsible for the Act respecting the Pension Plan of Management Personnel on 24 October 2016. However, that actuarial value must be at least equal to the higher of the following amounts: the total of the contributions, including any interest accrued under sections 73, 77, 205 and 206

of the Act respecting the Pension Plan of Management Personnel until the date of the transfer, and the actuarial value of the benefits accrued, established in accordance with the actuarial assumptions and methods prescribed by the regulation made under subparagraph 2 of the first paragraph of section 215.13 of the Act respecting the Government and Public Employees Retirement Plan (chapter R-10).

The actuarial value of benefits recognized under the pension plan provided for in this Part is established in accordance with the actuarial assumptions and methods used in the actuarial valuation prepared in accordance with section 246.26 and on the basis of the data as at 31 December 2013.

This section does not apply to years and parts of a year credited to a presiding justice of the peace under the Act respecting the Pension Plan of Management Personnel while he held office as a justice of the peace before 30 June 2004.

“224.31. The spouse of a person who held office as a presiding justice of the peace on 31 December 2016 and who died after that date but before 2 September 2018 may, in the person’s place and stead, make the application referred to in the first paragraph of section 224.30, in accordance with the same conditions as those applicable to the person and to the extent that Retraite Québec has not already received an application from the person.

“224.32. The contributions transferred to this plan under sections 224.30 and 246.24 include any amount paid by the judge and any contribution from which the judge was exempt under another pension plan and which has been transferred to this plan. They also include any interest accrued on such amounts in accordance with the relevant pension plan and transferred to this plan.”

20. Section 246.24 of the Act is amended by inserting “, as presiding justice of the peace” after “Court of Québec” in the first paragraph.

21. Section 246.26 of the Act is amended

(1) by inserting “or transferred” after “except contributions paid” in the second paragraph;

(2) by inserting “, including those transferred to it,” after “to the pension plan provided for in Part V.1” in the third paragraph;

(3) by inserting the following paragraph after the third paragraph:

“With respect to presiding justices of the peace, the cost of the pension plan provided for in Part V.1, except contributions paid by the justices to that plan and contributions that were transferred to it, shall be borne by the Government.”

ACT RESPECTING THE PENSION PLAN OF MANAGEMENT
PERSONNEL

22. Section 211.2 of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) is replaced by the following sections:

“211.2. The provisions applicable to this plan, as they read on 31 December 2016, continue to apply to presiding justices of the peace or to persons who have previously held that office, but only with regard to the years or parts of a year credited under this plan while they hold or held such an office. However, section 181.1 of this Act, as it read on 1 January 2017, applies to them.

This section does not apply to years and parts of a year credited to a presiding justice of the peace under this Act while he or she held office as a justice of the peace before 30 June 2004.

“211.2.1. The years and parts of a year credited to this plan and transferred in accordance with section 224.30 of the Courts of Justice Act (chapter T-16) may not be taken into account for eligibility purposes or for the purpose of computing the pension granted under this plan. For the purpose of computing the pension, however, the annualized pensionable salary and contributory period of such a year may be selected.

A person whose years or parts of a year are so credited to the pension plan provided for in Part V.1 of the Courts of Justice Act forfeits no other right, benefit or advantage the person would have been entitled to claim under this plan.”

REGULATION RESPECTING THE PARTITION AND ASSIGNMENT OF
BENEFITS ACCRUED UNDER THE PENSION PLANS OF THE JUDGES
OF THE COURT OF QUÉBEC AND OF CERTAIN MUNICIPAL COURTS

23. The title of the Regulation respecting the partition and assignment of benefits accrued under the pension plans of the judges of the Court of Québec and of certain municipal courts (chapter T-16, r. 4) is replaced by the following title:

“REGULATION RESPECTING THE PARTITION AND ASSIGNMENT
OF BENEFITS ACCRUED UNDER THE PENSION PLANS OF JUDGES
OF THE COURT OF QUÉBEC, JUDGES OF CERTAIN MUNICIPAL
COURTS AND PRESIDING JUSTICES OF THE PEACE”.

24. Section 5 of the Regulation is amended by replacing all occurrences of “section 246.24” by “sections 224.30 and 246.24”.

25. Section 7 of the Regulation is amended by inserting “and the amounts transferred to this plan,” after “paid”.

SUPPLEMENTARY BENEFITS PLAN FOR JUDGES COVERED BY THE PENSION PLAN PROVIDED FOR IN PART V.1 OF THE COURTS OF JUSTICE ACT

26. Sections 2 and 3 of the Supplementary benefits plan for judges covered by the pension plan provided for in Part V.1 of the Courts of Justice Act (chapter T-16, r. 6) are amended by adding the following paragraph at the end:

“The first paragraph does not apply to the years of service credited pursuant to section 224.30 of the Act.”

27. Section 4 of the Plan is amended by replacing “while the judge’s age and years of service total 80 or more” in the first paragraph by “in accordance with paragraph 3 of section 224.3 of the Act”.

28. Section 10 of the Plan is amended by replacing “8%” in the first paragraph by “9%”.

REGULATION RESPECTING THE PENSION PLAN PROVIDED FOR IN PART V.1 OF THE COURTS OF JUSTICE ACT

29. The Regulation respecting the pension plan provided for in Part V.1 of the Courts of Justice Act, the text of which appears below, is enacted.

“REGULATION RESPECTING THE PENSION PLAN PROVIDED FOR IN PART V.1 OF THE COURTS OF JUSTICE ACT

1. The rate provided for in the first paragraph of section 224.2 of the Courts of Justice Act (chapter T-16) is 8%.

Despite the first paragraph, that rate is 1% of the annual salary of the judge or presiding justice of the peace when he or she has accumulated 21.7 years of service and continues to hold office.

2. The interest rate applicable to contributions paid into the pension plan provided for in Part V.1 of the Act and those transferred to it is 6% compounded annually.”

MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

30. Retraite Québec must transfer, from the funds of the Pension Plan of Management Personnel to the Consolidated Revenue Fund, for the years and parts of a year of service credited to a justice under section 224.30 of the Courts of Justice Act (chapter T-16), the actuarial value of the benefits accrued by the justice under the Pension Plan of Management Personnel, without exceeding the actuarial value of the equivalent benefits to which he or she is entitled under the pension plan provided for in Part V.1 of that Act. Those actuarial values are the ones established in accordance with section 224.30.

The sums transferred under the first paragraph bear interest, compounded annually, at the nominal rates of the actuarial economic assumptions of the actuarial valuation prepared in accordance with section 246.26 and on the basis of the data as at 31 December 2013, from 31 December 2016 until the date of transfer of the sums. The latter are taken out according to the terms set out in Division II of Chapter X of the Act respecting the Pension Plan of Management Personnel (chapter R-12.1) for the payment of benefits.

31. Retraite Québec must reimburse, if applicable, out of the employees' contribution fund referred to in section 176 of the Act respecting the Pension Plan of Management Personnel, to a person whose years and parts of a year of service credited under the Pension Plan of Management Personnel have been transferred to the pension plan provided for in Part V.1 of the Courts of Justice Act under section 224.30 of that Act, any amount by which the total amount of contributions accumulated with interest under sections 73, 77, 205 and 206 of the Act respecting the Pension Plan of Management Personnel exceeds the amount of the actuarial value of the benefits accrued to the person under the pension plan provided for in Part V.1 of the Courts of Justice Act, if the total amount of those contributions accumulated with interest is equal to or greater than the actuarial value of the benefits accrued under the Pension Plan of Management Personnel, established in accordance with the actuarial assumptions and methods prescribed by the regulation made under subparagraph 2 of the first paragraph of section 215.13 of the Act respecting the Government and Public Employees Retirement Plan (chapter R-10).

Retraite Québec must transfer, if applicable, into a locked-in retirement account, with regard to a person whose years and parts of a year of service credited under the Pension Plan of Management Personnel have been transferred to the pension plan provided for in Part V.1 under section 224.30 of the Courts of Justice Act, any amount by which the actuarial value of the benefits accrued under the first plan, established in accordance with the actuarial assumptions and methods prescribed by the regulation made under subparagraph 2 of the first paragraph of section 215.13 of the Act respecting the Government and Public Employees Retirement Plan, exceeds the amount of the actuarial value of the benefits accrued to the person under the pension plan provided for in Part V.1 of the Courts of Justice Act, if the actuarial value of the benefits accrued under the Pension Plan of Management Personnel, established in accordance with the actuarial assumptions and methods prescribed by the regulation made under subparagraph 2 of the first paragraph of that section 215.13, is greater than the total amount of the contributions accumulated with interest under sections 73, 77, 205 and 206 of the Act respecting the Pension Plan of Management Personnel.

32. A presiding justice of the peace is considered, within the meaning of the pension plan provided for in Part V.1 of the Courts of Justice Act, to have retired or to have been entitled to the refund provided for in section 224.4 of that Act on the date the justice retired under the Pension Plan of Management Personnel, provided that date was subsequent to 31 December 2016 but prior to 7 December 2017.

To take into account the justice's membership in the pension plan provided for in Part V.1 of the Courts of Justice Act, *Retraite Québec* must review or cancel the pension the justice receives under the Pension Plan of Management Personnel. The review or cancellation must be carried out within six months following the date of receipt of the application referred to in the first paragraph of section 224.30 of the Courts of Justice Act or, in the absence of such an application, within six months following 1 September 2018. Section 146.1 and the second paragraph of section 147 of the Act respecting the Government and Public Employees Retirement Plan do not apply to amounts owing to *Retraite Québec* following such a review or cancellation.

33. To take into account the years and parts of a year of service credited under section 224.30 of the Courts of Justice Act, *Retraite Québec* must review or cancel a pension received under the Pension Plan of Management Personnel by a person whose date of retirement under the pension plan provided for in Part V.1 of the Courts of Justice Act is prior to the date of receipt of the application referred to in the first paragraph of that section 224.30. *Retraite Québec* must also review the amount of the pension received by the person under the pension plan provided for in Part V.1 of the Courts of Justice Act.

The review or cancellation referred to in the first paragraph must be carried out within six months following the date of receipt of the application referred to in the first paragraph of section 224.30. Section 146.1 and the second paragraph of section 147 of the Act respecting the Government and Public Employees Retirement Plan do not apply to amounts owing to *Retraite Québec* following such a review or cancellation.

34. The Regulation respecting the pension plan provided for in Part V.1 of the Courts of Justice Act, enacted by section 29, is deemed to have been made by the Government under sections 224.2 and 224.29 of the Courts of Justice Act, amended by sections 7 and 18, respectively.

35. In section 158.0.2 of the Act respecting the Government and Public Employees Retirement Plan, sections 122 and 127 and Parts V.1, VI.2 and VI.3 of the Courts of Justice Act, the Regulation respecting the partition and assignment of benefits accrued under the pension plans of judges of the Court of Québec, judges of certain municipal courts and presiding justices of the peace (chapter T-16, r. 4) and the Supplementary benefits plan for judges covered by the pension plan provided for in Part V.1 of the Courts of Justice Act (chapter T-16, r. 6), “judge” and “judges” also mean presiding justices of the peace, unless the context indicates otherwise.

36. Sections 1 to 18, section 19 where it enacts section 224.32 of the Courts of Justice Act, and sections 20 to 27, 29 and 35 have effect from 1 January 2017. However, from 30 June 2019, section 1 of the Regulation respecting the pension plan provided for in Part V.1 of the Courts of Justice Act, enacted by section 29, is to be read as if “8%” in the first paragraph were replaced by “9%”.

37. This Act comes into force on 7 December 2017, except section 28, which comes into force on 30 June 2019.

Regulations and other Acts

Gouvernement du Québec

O.C. 159-2018, 20 February 2018

Transport Act
(chapter T-12)

Brokerage of bulk trucking services —Amendment

Regulation to amend the Regulation respecting the brokerage of bulk trucking services

WHEREAS, under paragraph *f* of section 5 of the Transport Act (chapter T-12), the Government may, by regulation, in particular determine the minimum or maximum term of a permit, prescribe that a permit is not renewable, exempt a permit from the renewal procedure provided in section 37.1 and prescribe the conditions on which a permit may be renewed or reinstated;

WHEREAS, under paragraph *o.2* of section 5 of the Act, the Government may, by regulation, in particular prescribe administrative, financing and management standards applicable to brokerage companies, especially with respect to the production of audited financial statements;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), the draft Regulation to amend the Regulation respecting the brokerage of bulk trucking services was published in Part 2 of the *Gazette officielle du Québec* of 29 November 2017 with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport, Sustainable Mobility and Transport Electrification:

THAT the Regulation to amend the Regulation respecting the brokerage of bulk trucking services, attached to this Order in Council, be made.

ANDRÉ FORTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the brokerage of bulk trucking services

Transport Act
(chapter T-12, s. 5)

1. The Regulation respecting the brokerage of bulk trucking services (chapter T-12, r. 4) is amended in section 5 by striking out the third paragraph.

2. Section 8 is replaced by the following:

“**8.** A brokerage permit may be renewed in accordance with section 37.3 of the Transport Act (chapter T-12).

A brokerage permit holder applying for renewal must comply with the conditions set out in subparagraph 1 and subparagraph *a* of subparagraph 2 of the first paragraph of section 5.

The permit holder must also submit to the Commission for approval any amendment to the by-laws referred to in section 8 of the Transport Act (chapter T-12), particularly those respecting disciplinary provisions, a description of the brokerage director’s duties and brokerage fees and the documents required under subparagraph *c* of subparagraph 2 of the first paragraph of section 5 allowing to ascertain compliance with the requirements of section 47.13.1 of the Transport Act.”

3. Section 9 is replaced by the following:

“**9.** The brokerage permit is issued for a period of 3 years. It expires on 31 March of the third year.

Despite the first paragraph, where a permit is already issued in a zone, the expiry date of permits issued subsequently must be identical to the expiry date of the permit already issued for that zone.”

4. Section 14 is amended by striking out “the first paragraph of” in subparagraph 6 of the first paragraph.

5. Section 17.2 is replaced by the following:

“**17.2.** Despite section 17, the operator may cancel the brokerage contract within 120 days following the coming into force of a by-law for which the brokerage permit holder obtained the approval provided for in section 8 of

the Transport Act (chapter T-12) and that provides that all the permit holder's by-laws in force concerning transport brokerage services under government contracts, and only those by-laws, also apply to contracts other than government contracts to which the permit holder is a party.”.

6. Section 21 is amended by replacing “third paragraph” in the portion before paragraph 1 by “fourth paragraph”.

7. The following is inserted after section 24:

“**24.1.** A brokerage permit holder must send to the Commission, before 31 May, audited financial statements for the preceding fiscal year ending on 31 December.

The financial statements must mention the auditing of the trust accounts and the compliance of the permit holder's books, registers and accounts with this Regulation.”.

8. The following is inserted after section 33.1:

“**33.2.** All brokerage permits in force on 1 January 2018 expire on 31 March 2018.”.

9. Sections 34 to 37.2 are revoked.

10. Schedule 1 is amended by replacing the fifth and sixth paragraphs of part 1.1 by the following:

“The operator may cancel the brokerage contract within 120 days following the coming into force of a by-law for which the brokerage permit holder obtained the approval provided for in section 8 of the Transport Act and that provides that all the permit holder's by-laws in force concerning transport brokerage services under government contracts, and only those by-laws, also apply to contracts other than government contracts to which the permit holder is a party.”.

11. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

103364

Gouvernement du Québec

O.C. 160-2018, 20 February 2018

Highway Safety Code
(chapter C-24.2)

**Commercial vehicle registration
— Reciprocal agreements between the Gouvernement
du Québec and the Canadian provinces and
territories, and certain American States
— Amendment**

Regulation to amend the Regulation respecting reciprocal commercial vehicle registration agreements between the Gouvernement du Québec and the Canadian provinces and territories, and certain American States

WHEREAS, under section 6 of the Highway Safety Code (chapter C-24.2), every road vehicle must be registered except a vehicle exempt from registration under the Code;

WHEREAS the existence of similar legislation in other provinces or territories of Canada or in other American states has the effect of multiplying the registration fees related to the use of vehicles for international or interprovincial transport;

WHEREAS it is expedient to allow for greater flexibility in the operation of fleets of vehicles by not requiring that carriers obtain registration from each jurisdiction in which they travel;

WHEREAS the Société de l'assurance automobile du Québec became a member of the International Registration Plan (IRP) on 29 September 1999;

WHEREAS the International Registration Plan (IRP) is an agreement among Canadian provinces and territories, including Québec, and American States for the registration of vehicles travelling in at least one jurisdiction, province or state in addition to their base jurisdiction;

WHEREAS, under that agreement, the holder of the registration is not required to make full payment of the fees for each jurisdiction in which the holder's vehicles travel since that requirement is replaced by an apportioned registration system based on the number of kilometres travelled in the territory of the various jurisdictions;

WHEREAS the agreement replaces any reciprocal agreement or any form of agreement entered into between the member jurisdictions on a matter or several matters referred to in the agreement;

WHEREAS, under Order in Council 951-2000 dated 26 July 2000, the International Registration Plan (IRP) is exempted from the application of the Act respecting the Ministère du Conseil exécutif (chapter M-30) and of the Act respecting the Ministère des Relations internationales (chapter M-25.1.1);

WHEREAS, under Order in Council 490-2009 dated 22 April 2009, the Government made the Regulation to amend the Regulation respecting reciprocal commercial vehicle registration agreements between the Gouvernement du Québec and the Canadian provinces and territories, and certain American States to give effect to the agreement by exempting from registration registered road vehicles having a registration plate issued, among others, by a Canadian province or territory and covered in particular by the Canadian Agreement on Vehicle Registration, appearing in Schedule 42 to that Regulation, except insofar as provided by the International Registration Plan;

WHEREAS it is expedient to further amend the Regulation to give effect to the amendments made to the Canadian Agreement on Vehicle Registration since 22 April 2009;

WHEREAS, under section 629 of the Code, the Minister of Transport, Sustainable Mobility and Transport Electrification or the Société de l'assurance automobile du Québec may, according to law, enter into an agreement with any government, department, or body respecting any matter referred to in the Code;

WHEREAS, under section 631 of the Code, the Government may, by regulation, adopt the necessary measures to give effect to an agreement under section 629 of the Code and the publication requirement set out in section 8 of the Regulations Act (chapter R-18.1) does not apply to a regulation under that section;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport, Sustainable Mobility and Transport Electrification:

THAT the Regulation to amend the Regulation respecting reciprocal commercial vehicle registration agreements between the Gouvernement du Québec and the Canadian provinces and territories, and certain American States, attached to this Order in Council, be made.

ANDRÉ FORTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting reciprocal commercial vehicle registration agreements between the Gouvernement du Québec and the Canadian provinces and territories, and certain American States

Highway Safety Code
(chapter C-24.2, s. 631)

1. The Regulation respecting reciprocal commercial vehicle registration agreements between the Gouvernement du Québec and the Canadian provinces and territories, and certain American States (chapter C-24.2, r. 24) is amended by replacing Schedule 42 by the following:

“SCHEDULE 42

CANADIAN AGREEMENT ON VEHICLE REGISTRATION¹

Updated January 30, 2017¹

Pursuant to and in conformity with the laws of their respective jurisdictions, the member jurisdictions, acting by and through their lawfully authorized officials to execute this agreement, do mutually agree as follows:

Definitions

1. The following words and phrases, when used in this agreement, shall have the meaning ascribed to them in this section:

(a) Category “B” Vehicle means:

- i. a power unit or power unit trailer combination having a registered weight of less than 11,794 kg, used or maintained for the transportation of property;
- ii. a farm or fishing industry vehicle;
- iii. a private bus;
- iv. a recreational motor vehicle;

¹ The 1980 CAVR Agreement has been amended a number of times. In 2003, major amendments retained only issues respecting reciprocity; all prorate provisions were deleted.

In September 2008 updates were made to reflect BC exceptions.

In July 2011 updates were made, removing a SK exemption.

In January 2017 updates removed breakdown permits, reciprocity for unladen vehicles and charter buses and also Parts I and II were combined to one document.

v. a power unit that is registered as a government vehicle;

vi. a trailer, semi-trailer, converter dolly or, container chassis or their equivalent;

but does not include:

vii. any power unit, other than one described in clauses 1(a)(ii) to (v), that has 3 or more axles; or

viii. any vehicle prorated under the International Registration Plan.

(b) CCMTA means the Canadian Council of Motor Transport Administrators.

(c) Farm or fishing industry vehicle means a vehicle that is registered in a member jurisdiction and is engaged in the transportation of the registrant's own goods that are related to the operation of the registrant's farm or fishing business.

(d) Government vehicle means a vehicle registered to the federal government or to a provincial, municipal or regional government.

(e) Gross vehicle weight means the weight of a vehicle or a combination of vehicles, including accessories, equipment and load.

(f) Host jurisdiction means a member jurisdiction:

i. other than the jurisdiction where the vehicle is plated; and

ii. that considers the registered owner of the vehicle to be a non-resident.

(g) Interjurisdictional movement means vehicle movement between or through two or more jurisdictions.

(h) Intra-jurisdictional movement means vehicle movement from one point within a jurisdiction to another point within the same jurisdiction.

(i) Jurisdiction means a province or territory of Canada.

(j) Member jurisdiction means a jurisdiction that is a party to this agreement.

(k) Power unit means a self-propelled motor vehicle having permanently attached thereto a truck, bus or delivery body and includes a truck tractor used for hauling purposes on a highway.

(l) Private bus means a motor vehicle used to transport persons, when such transportation is not undertaken for compensation or gain.

(m) Reciprocity means the condition in which a vehicle that is properly registered in a member jurisdiction is exempt from registration in other member jurisdictions.

(n) Recreational motor vehicle means a motor vehicle designed or redesigned to be used as a recreational vehicle.

(o) Registration means licensing a vehicle for use on a highway.

(p) Tare weight means the weight of a vehicle, including its permanently mounted equipment.

(q) Semi-trailer means a vehicle without motive power designed for carrying property and for being drawn by a motor vehicle and so constructed that some part of its weight and that of its load rests upon or is carried by the towing vehicle.

(r) Trailer means a vehicle without motive power designed for carrying property and for being drawn by a motor vehicle and so constructed that no part of its weight rests upon the towing vehicle.

(s) Vehicle means a power unit or trailer.

Reciprocity

2. Full and free registration reciprocity is granted to all category "B" vehicles for interprovincial operations in a host jurisdiction.

3. The licence plate and registration certificate issued by the plate jurisdiction to a category "B" vehicle shall serve as evidence of proper registration and shall be recognized as such by a host jurisdiction.

4. Where the applicant wishes to conduct a temporary intraprovincial operation with a category 'B' motor vehicle in a host jurisdiction:

(a) the applicant shall, if required, make application to the host jurisdiction and the host jurisdiction may levy an additional registration fee for that power unit; and

(b) notwithstanding item 3, the host jurisdiction may issue a licence plate, registration or cab card, identification decal and/or sticker, which shall be displayed as required.

5. Notwithstanding item 4 of this agreement, reciprocity is granted for intraprovincial operations in a host jurisdiction to trailers, semi-trailers with or without

converter dollies, a converter dolly, container chassis or equivalent, private buses, recreational motor vehicles, and power units that are registered as government vehicles.

6. A vehicle covered by this agreement shall enjoy all other privileges and be subject to all other responsibilities under all applicable statutes and regulations of the member jurisdiction in which it travels.

7. No vehicle or combination of vehicles shall be operated or moved in a member jurisdiction when:

(a) the gross weight of the vehicle or combination of vehicles is in excess of the weight for which the vehicle or combination of vehicles is registered; or

(b) the number of axles of the vehicle or combination of vehicles is in excess of the number of axles for which the vehicle or combination of vehicles is registered.

8. This agreement shall supersede any agreement between member jurisdictions covering in whole or in part matters covered by this agreement.

Carrier Refunds Credit Policy

9. When a carrier completes an IRP application which results in a refund, the base jurisdiction will notify the member jurisdictions. Within 30 days of receiving notification, the member jurisdictions shall refund the carrier in accordance with their applicable legislation governing refunds and or credits.

Exemptions

10. Exceptions to the provisions of this agreement, which may be required as a condition of entry by a jurisdiction and which have been approved by all member jurisdictions, will form part of this agreement by appendix listing.

11. There shall be no exceptions taken to the reciprocity as set out in item 6.

Amendments

12. This agreement may be amended, subject to the approval of at least two-thirds of member provinces, acting through the responsible Minister thereof authorized to enter this agreement. All proposed amendments shall be placed in writing and shall be presented to each member province for approval or rejection. Amendments which have been accepted by member provinces shall become a part hereof, and shall become effective within 30 (thirty) days of approval or as otherwise required by the laws of member provinces.

13. Provisions of this agreement amended by less than a unanimous vote shall be retained as exceptions hereto and will continue to apply on behalf of dissenting member provinces.

Administration

14. The member jurisdictions of this agreement shall be represented by one member on a committee of CCMTA.

15. A chairperson and vice-chairperson shall be appointed by the CCMTA Board of Directors to hold office for a term of two years and shall serve until a successor is duly appointed.

16. Each member province shall have one vote in the committee.

17. Recommendations and decisions regarding interpretations of any question at issue and decisions shall be reached by a majority vote of at least two-thirds of the CCMTA committee.

18. Notwithstanding the foregoing, amendments to this agreement shall not come into force until the CCMTA committee formally confirms the affected member jurisdictions have established, and are able to carry out, administrative procedures necessary to give effect to such amendments.

19. The CCMTA shall be the official repository of this agreement and shall be responsible for the required duties attendant to the administration of this agreement.

20. Any member jurisdiction may withdraw from this agreement upon 30 (thirty) days written notice to the committee and to each other member jurisdiction.

21. The withdrawal of a member jurisdiction may not be made retroactively.

22. Jurisdictions making changes to their procedures relating to this agreement should provide 90 days' notice to the committee and to each other member jurisdiction.

APPENDIX I

(1) British Columbia

1. For the purpose of temporary intra-provincial operation as provided for in item 4, in BC the time period for temporary operation of category B vehicles as described in item 1(a)(i) is limited to 90 days in a calendar year with these 90 days including any operation of the vehicle in the Province of British Columbia.

2. For the purpose of item 5, British Columbia grants intra-provincial reciprocity to recreational vehicles used exclusively for touring purposes, with reciprocity being provided for a maximum period of up to 6 months from the date of last entry into British Columbia.

3. British Columbia does not grant intra-provincial reciprocity to charter buses or private buses designed to carry more than 10 persons if used in the Province of British Columbia.

(2) Saskatchewan

For the purpose of temporary intra-provincial operation as provided for in item 4, in Saskatchewan the time period for temporary operation of category B vehicles as described in item 1(a)(i) is limited to 90 days in a calendar year with these 90 days including any operation of the vehicle in the Province of Saskatchewan.”.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

103365

Gouvernement du Québec

O.C. 161-2018, 20 February 2018

An Act to ensure safety in guided land transport (chapter S-3.3)

Safety of the Réseau électrique métropolitain

Regulation respecting the safety of the Réseau électrique métropolitain

WHEREAS sections 50 and 52 to 54 of the Act to ensure safety in guided land transport (chapter S-3.3) empower the Government to make regulations on the matters set forth therein, among other things to set out the safety standards applicable to guided land transport systems;

WHEREAS, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), the draft Regulation respecting the safety of the Réseau électrique métropolitain was published in Part 2 of the *Gazette officielle du Québec* of 22 November 2017, with a notice that it could be made by the Government on the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport, Sustainable Mobility and Transport Electrification:

THAT the Regulation respecting the safety of the Réseau électrique métropolitain, attached to this Order in Council, be made.

ANDRÉ FORTIER,
Clerk of the Conseil exécutif

Regulation respecting the safety of the Réseau électrique métropolitain

An Act to ensure safety in guided land transport (chapter S-3.3, s. 50 and ss. 52 to 54)

**CHAPTER I
GENERAL**

1. This Regulation contributes, with other means implemented by the operator, to ensure the safe operation of the Réseau électrique métropolitain by preventing in particular fire and accident hazards.

The Regulation also specifies the tenor and frequency of the traffic reports and accident reports that will have to be sent by the operator, and determines the types of work and changes made to the REM the performance of which is subject to the publication of a prior notice under sections 5 and following of the Act to ensure safety in guided land transport (chapter S-3.3).

2. A reference to the Réseau électrique métropolitain means the REM referred to in section 1 of the Act respecting the Réseau électrique métropolitain (2017, chapter 17).

For the purposes of this Regulation, unless the context indicates otherwise,

(1) the “REM” includes in particular

(a) the infrastructures, such as guideways, permanent structures, track equipment, maintenance centres, depots for storing the rolling stock and stations;

(b) technical and safety installations, such as the operating support systems, signalling systems, traction installations to provide electric power to the rolling stock, and control, monitoring and communication installations:

(c) the rolling stock;

(d) critical systems, namely, the systems whose failure or malfunction may have serious consequences, such as death, serious injuries or significant material damages; and

(e) an operation site, in a secured right of way, corresponding to the area occupied by the guideways on a dedicated site, without level crossing or interference with a public road, that is delimited by a gate and secured access allowing the automatic and safe movement of the automated guided transport system, driverless;

(2) the “operation” includes all the operation activities of the rolling stock and systems and activities for the maintenance of the rolling stock, equipment, systems and infrastructures of the REM.

CHAPTER II SAFETY CODE

DIVISION I OBLIGATIONS OF USERS AND THIRD PERSONS

3. Without restricting the application of sections 24, 27 and 37 to 39 of the Act to ensure safety in guided land transport (chapter S-3.3), no person may, unless authorized by the operator,

- (1) be in the path of moving rolling stock;
- (2) ride on the side, under or on the roof of moving rolling stock;
- (3) obstruct or hinder the operation of the gate or secured access mechanisms installed by the operator;
- (4) manoeuvre or use in any manner an apparatus, device or equipment the use of which is related to the operation of the REM and reserved for the operator’s staff;
- (5) be in a location reserved for the operator’s staff; and
- (6) transport, deposit or abandon dangerous substances, in particular explosives and fireworks, in the rolling stock and in the secured right of way.

DIVISION II OBLIGATIONS OF THE OPERATOR

§1. Precautionary measures in the operation of the REM

1. — GENERAL

4. In applying the Safety Code and the responsibilities incumbent on the operator to ensure the safety of the REM, the operator must take into consideration, in particular,

(1) the importance of centralized management of the communications, systems and equipment of the REM;

(2) the adequate management of movements and transfers of REM users;

(3) the strategic nature of the management and control measures applied to the rolling stock of the REM, in particular, in relation to the location, speed monitoring, movement authorization and stoppage of the rolling stock;

(4) the necessity for rigorous management of the safety of the right of way, stations, guideways of the REM and means for escape;

(5) the importance of a clear distribution of internal responsibilities related to the safety and availability of reliable means of communication between persons in all locations of the REM;

(6) the implementation of alternatives and mitigation measures to maintain the safety level of the operations of the REM in case of failure or malfunction of equipment or an automated system.

5. The operator must take appropriate measures to notify REM users of the prohibition to transport dangerous substances therein.

6. The operator must ensure

(1) that the REM remains free of level crossings and of any interference with a public road;

(2) that the possibility of accessing the right of way and guideways is limited at all times by a gate and secured access; and

(3) the availability and functionality of means of evacuation of tunnels, guideways and rolling stock of the REM.

7. The operator must hold civil liability insurance related to the operation of the REM. The minimum amount of insurance that the operator must purchase is \$100,000,000 and the amount of the deductible may not exceed \$5,000,000.

2. — TRAFFIC COMMAND AND CONTROL SYSTEM

8. The operator develops and applies appropriate measures to command and control the traffic of rolling stock used for movement of users and service rolling stock.

The traffic command and control system must ensure the safe movement of the rolling stock, regardless of its position, its direction and the condition of REM infrastructures.

In addition to the measures applicable in normal situations, the system must be adapted to deal with disturbances or partial or complete failures of the various systems.

9. Unless safe bypass measures are applied, the malfunction or loss of use of the command or control equipment must cause the immediate stoppage of the movement of the rolling stock on the REM.

10. The traffic command and control system must allow the detection of the presence and the location of any rolling stock on the guideways.

11. The operator must ensure the maintenance and verify the good operation of equipment related to traffic command and control. The operator must immediately take corrective measures where a defect threatening safety is brought to the operator's attention.

12. The operator must periodically submit each element of the traffic command and control system used on the REM to a technical safety verification made by a person who has the knowledge, training and experience necessary to diagnose and repair defects.

13. The operator must carry out an independent external safety audit every 3 years to verify to what extent the practices put in place comply with the measures developed under section 8 and with this subdivision.

3. — *ROLLING STOCK AND EQUIPMENT MAINTENANCE*

14. The operator develops and applies appropriate procedures for daily operational tests before the daily operation of the rolling stock used for the movement of users.

The procedures developed must specify the procedures that apply to every rolling stock item when defects have been detected on it.

15. The operator may not allow rolling stock movement on the guideway, elsewhere than in a maintenance shop, if it is not equipped with a device, in good working condition that ensure its complete standstill at any place and in any circumstances.

16. The operator ensures the maintenance and verifies the good operation of the equipment related to rolling stock. The operator must immediately take corrective measures where a defect that threatens safety is brought to the operator's attention.

17. The operator must periodically submit each rolling stock item used on the REM to a technical safety verification made by a person who has the knowledge, training and experience necessary to diagnose and repair defects.

18. The operator must periodically submit each item of equipment contributing to the safety of the use of the rolling stock to a technical safety verification made by a person who has the knowledge, training and experience necessary to diagnose and repair defects.

19. The operator must carry out an independent external safety audit every 3 years to verify to what extent the practices put in place comply with the procedures developed under section 14 and with this subdivision.

4. — *GUIDEWAY MAINTENANCE*

20. The operator must ensure that the guideways benefit from regular verification and maintenance measures.

21. Before beginning maintenance work on a guideway, the person in charge of the work must so inform the person responsible for the operation and obtain that person's authorization.

22. The person responsible for the operation must, before authorizing work on a guideway, guarantee the safety of the area in which the work will take place.

23. A visual inspection of the guideways of all the segments of the main tracks must be completed before the daily operation of the REM in order to verify the good condition of the tracks and ensure that they are free of any obstacle that may disrupt service and traffic.

24. If a malfunction or an anomaly is detected on a guideway, the person responsible for the operation must not authorize service to begin without having implemented applicable risk reduction measures.

25. The operator must carry out an independent external safety audit every 3 years to verify to what extent the practices put in place comply with the measures related to guideway maintenance and safety and to verify whether the standards applied are still adequate to ensure safety.

5. — COMMUNICATION SYSTEMS

26. The operator must at all times control and maintain in good order a communication system on the secured right of way of the REM so that the field staff, REM users and the control centre may communicate in any circumstances.

27. In addition to allowing internal communications between all the users of the system, the communication system installed by the operator must be designed to at least allow

- (1) the identification or location of persons who access the communication system;
- (2) a complete coverage of tunnels, tracks and stations of the REM;
- (3) bidirectional communication with the control centre, including for REM users;
- (4) the possibility to communicate safety information to users; and
- (5) the recording of the information.

28. Unless a staff member equipped with a communication system is present, only rolling stock equipped with a functional system allowing users to communicate with the control centre may be used to provide passenger service.

29. In addition to what is provided for in section 28 for rolling stock, all other premises accessible to the public must be equipped with a communication system, accessible to users allowing them to communicate with the control centre. Failing that, a designated staff member, equipped with a communication system, must be present.

30. Any person performing duties essential to safety must, in the performance of duties, have in his or her possession communication equipment.

6. — QUALIFICATION MANAGEMENT AND ROLE OF STAFF

31. Every employee of the operator is required to immediately report to the operator, using a communication means the employee considers the most appropriate, any situation that appears to the employee to pose a serious threat to the safety of property or persons.

The operator must take the necessary measures to notify staff members of the importance of that obligation and inform them of the person to contact when they notice a threat to safety.

32. The operator must establish and implement a qualification management process to ensure that all employees having a responsibility as part of the safety management system and the emergency action plan have the required skills and training to achieve the objectives set, in a safe, efficient and effective manner, whatever the circumstances.

The operator must ensure that the level of competence and knowledge of the staff is maintained.

§2. General safety control and follow-up measures

1. — ESTABLISHMENT AND UPDATING OF THE SAFETY RECORD

33. As part of the commissioning of the REM or any substantial modification to the REM, the operator must prepare a safety record describing the main technical and functional characteristics of the infrastructures, equipment and systems, and the risk assessment of any nature that could affect the REM, including those associated with the environment.

34. A separate safety record may be established for each temporary, partial or full operation of the REM and for each substantial modification to the REM. In addition to the risk assessment, the safety record must contain the measures considered to deal with them.

35. The safety record must demonstrate, from the completed risk assessment, that the REM's functional, technical, operational and maintenance provisions make it possible to achieve the safety objective throughout the entire life of the REM, to prevent the various types of incidents, hazards and other risks identified and to reduce their consequences.

36. Work related to the REM may only be started after the approval of the safety record by the safety committee provided for in section 43, except in case of emergency, in which case the work is approved while being carried out or as soon as possible.

37. Where the safety committee is satisfied with the safety record and the achievement of the safety objective, it authorizes the commissioning of the portion of the REM concerned and issues an operation certificate for that purpose.

2. — SAFETY MANAGEMENT SYSTEM

38. The REM operator must develop a safety management system to ensure compliance with all the processes contributing to the planning, performance and monitoring of the REM's operation and maintenance.

39. The safety management system must describe all the processes implemented for the safety of the REM, in particular, the operation of the REM, the management of incidents and accidents, the determination of safety concerns and safety governance rules.

40. The safety management system must at least provide for the processes chosen in connection with the following elements:

- (1) the respective responsibilities within the organization and the obligation to render account;
- (2) the safety policy;
- (3) the means used to ensure compliance with the regulations, rules and other directives;
- (4) the management of accidents;
- (5) the identification of safety concerns;
- (6) the risk assessment;
- (7) the implementation and assessment of corrective measures;
- (8) the establishment of objectives and the development of initiatives;
- (9) the reporting of safety breaches and hazards;
- (10) the management of knowledge;
- (11) the setting of work schedules;
- (12) the continuing enhancement of the safety management system;
- (13) the management of internal and external interfaces.

41. The operator appoints a senior manager responsible for the operations and activities of the REM who is required to report on the compliance with the requirements of the safety management system, including its effectiveness to reach the highest level of safety in operating the REM.

42. The operator must provide to the Minister the name of the senior manager in charge as soon as possible after the manager is appointed.

43. In order to oversee all aspects related to the safety of the REM, the operator must establish a permanent safety committee.

As part of its mission, the committee must, in particular,

(1) keep and maintain up to date the safety record, prepared from the technical and functional characteristics of the REM and its operation and maintenance conditions, that must include all the information pertaining to safety for the design, construction, operation and maintenance of the REM;

(2) impose the conditions that it considers appropriate with respect to all the work that could affect the safety of the REM;

(3) supervise the preparation and updates of the safety management system of the REM;

(4) send to the Minister, for information purposes, the safety management system and any modification made by the committee within 30 days of their adoption;

(5) supervise the proper performance of the safety management system of the REM;

(6) prepare an annual report which includes the conclusions of its monitoring activities for the implementation of the safety management system;

(7) issue the initial operation certificate and its modifications authorizing the commissioning of the various portions of the REM and so inform the Minister; and

(8) supervise the preparation and update of the qualification management process.

44. The operator must carry out every 3 years an independent external audit of its safety management system, particularly to assess to what extent the requirements of each process have been implemented.

45. The operator records the findings of the independent external audit in a report.

The senior manager in charge of the safety management system certifies, by signing the report, that he or she accepts it.

46. The operator must adopt an action plan describing the measures provided for to respond to the findings of the audit report that the operator identifies as deficiencies of its safety management system requiring the implementation of corrective measures.

The senior manager in charge of the safety management system certifies, by signing the action plan, that he or she approves it.

§3. *Emergency action plan*

47. The operator must adopt an emergency action plan related to the operation of the REM.

48. The emergency action plan must provide for preventive, preparative, intervening and restorative actions to mitigate or eliminate various natural, technical and anthropogenic risks that may have an impact on the safety offered by the REM.

49. The emergency action plan must be prepared with a view to ensure the safety of the public and employees, facilitate decision-making and support the work of emergency responders.

50. The operator appoints a senior manager responsible for the operations and activities of the REM, who is required to report on the compliance with the measures provided for in the emergency action plan.

51. The operator must provide the Minister with the name of the designated senior manager in charge of the plan as soon as possible after the manager is appointed.

52. The risk assessment required for the preparation and implementation of the emergency action plan must be based on recognized methods, in particular most recent version of NFPA 130 Standard for Fixed Guideway Transit and Passenger Rail Systems.

53. The assessment must consider particularly the following risks:

- (1) fire or smoke;
- (2) accident, collision or derailment;
- (3) loss of power;
- (4) evacuation of passengers in a tunnel;
- (5) panic of users;
- (6) flooding in a tunnel;
- (7) interruption of service after a catastrophe or dangerous conditions;
- (8) dangerous substances accidentally or intentionally introduced in the REM;
- (9) vandalism or criminal acts;
- (10) medical assistance to users present in the rolling stock or in stations;

(11) extreme climatic conditions;

(12) earthquake;

(13) any other emergency situation considered as such by the persons responsible for police and fire protection services of the municipal authorities concerned.

54. The important elements of the emergency action plan, in particular emergency communication procedures, must be tested at least once per year during a structured drill. The operator plans and organizes structured drills in collaboration with the police and fire protection services of the municipal authorities concerned.

The risk assessment must be updated every 3 years or before if the situation warrants it.

55. The emergency action plan is prepared in collaboration with the police and fire protection services of the municipal authorities concerned for the elements of the plan related to their responsibilities.

The approved emergency action plan must be sent to the persons responsible for police and fire protection services of the municipal authorities concerned and to the Minister before the commissioning of the REM; the same applies to any update of the plan.

56. The operator's emergency action plan must at least contain

- (1) a description of the environment and risks, in particular, specifying the name of the local municipality, regional municipality or any other governmental entity whose territory could be affected;
- (2) the coordination of the emergency action plan, in particular collaboration with the police and fire protection services of the municipal authorities concerned;
- (3) the role and responsibilities of the internal emergency responders;
- (4) a list of the intervention material and relief supplies on the rolling stock, in stations and those readily available, and their location;
- (5) the alert procedures of the police and fire protection services of the municipal authorities concerned;
- (6) emergency intervention procedures, including emergency intervention methods to deal with emergencies;
- (7) a list of the training and qualification programs;

(8) the administration of the emergency action plan; and

(9) the safety alert levels.

CHAPTER III REPORTS

57. The operator sends to the Minister, at the Minister's request,

(1) the last annual report referred to in paragraph 6 of section 43;

(2) the signed report reporting the independent external audit referred to in section 45; and

(3) the results of the last independent external audit reports referred to in sections 13, 19 and 25.

58. The detailed accident report referred to in section 44 of the Act to ensure safety in guided land transport (chapter S-3.3), that is required for any accident resulting in injuries or the death of a person or that causes damages to a guideway, permanent structures or the equipment, must be written according to the tenor provided for in Schedule I.

59. The operator must also notify the Minister and produce an incident report for any significant malfunction of equipment, rolling stock, traffic command and control system or any other component of the REM ensuring the safety of its operation and for any serious violation of a safety rule by an employee.

For the purposes of this section, a significant malfunction and a serious violation refer to events whose impact threatened or could have threatened the safety of the REM.

60. The operator is exempted from the obligation to produce a report provided for in section 58 or 59 where the accident occurred inside a shop or a maintenance centre.

61. The traffic report referred to in section 49 of the Act to ensure safety in guided land transport (chapter S-3.3) must be prepared by the operator for each year of activity of the REM. It is drafted according to the tenor provided for in Schedule II.

The report must be sent to the Minister not later than 1 March of the year following the year concerned.

CHAPTER IV ANNOUNCEMENT OF WORK

62. Work that must be announced in accordance with section 5 of the Act to ensure safety in guided land transport (chapter S-3.3) is work that, following the complete commissioning of the Deux-Montagnes, Sainte-Anne-de-Bellevue, Aéroport and Rive-Sud branches, concern

(1) the extension of the REM tracks over a length of 2 km or more that requires the acquisition of an immovable situated outside the REM's right of way; and

(2) the construction of a new station for the REM that requires the acquisition of an immovable situated outside the REM's right of way.

63. The announcement must be made through a notice published in a daily newspaper and in a weekly newspaper circulated in the territory where the work will be carried out.

64. The period during which one may oppose the work must be at least 60 days.

CHAPTER V OFFENCES

65. The following persons are guilty of an offence and are liable to the fines provided for in section 82 of the Act to ensure safety in guided land transport (chapter S-3.3):

(1) a person who contravenes section 3;

(2) the operator who contravenes section 7;

(3) the operator who contravenes section 61.

CHAPTER VI FINAL

66. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

Despite the first paragraph, the obligations and requirements imposed on the operator, in particular the establishment of an emergency action plan and a safety management system, may be completed in an evolutionary manner to take into account the date of the commissioning of the various branches of the REM.

Every measure, system or plan required must be implemented, with respect to a branch of the REM, not later than the date of its initial commercial commissioning.

SCHEDULE I

(section 58)

ACCIDENT REPORT

Operator:

Description of the rolling stock: _____

Direction: _____

Location of the accident: _____

Date: _____ Time: _____

Description of the accident: _____

Number of persons injured: _____

Number of persons killed: _____

Status of the victims (passenger, employee, other):

Apparent causes of the accident:

Investigation to come: Yes _____ No _____

Other observations:

Place and date of signature: _____

Signature: _____

(name, address and position or title of the writer of the report)

SCHEDULE II

(section 61)

ANNUAL TRAFFIC REPORT

OPERATOR'S NAME:

YEAR:

TRACKS:

Length of operated REM:

 kmLength of main tracks:

 km

ROLLING STOCK IN SERVICE:

OPERATION PARAMETERS:

Passengers/km:

Cars/km:

Cars/branch:

Place and date of signature:

Signature:

(name, address and position or title of the writer of the report)

103366

Notice

Election Act
(chapter E-3.3)

Nomination — Amendment

In accordance with section 550 of the Election Act, the Committee on Institutions has approved with modification, on February 20, 2018, the “ Regulation to amend the Nomination Regulation ” which had been submitted to it by the Chief Electoral Officer of Québec.

MICHEL BONSAINT,
*The Secretary General of the
National Assembly*

In accordance with the third paragraph of section 550 of the Election Act, the Chief Electoral Officer of Québec hereby publishes the “ Regulation to amend the Nomination Regulation ”, which he has drafted in function of sections 239, 241 and 550 of the Election Act which was approved with modification by the Committee on Institutions, on February 20, 2018.

The present regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

PIERRE REID,
*The Chief Electoral Officer
of Québec*

Regulation to amend the Nomination Regulation*

Election Act
(chapter E-3.3, ss. 239, 241 and 550)

1. Section 6 of the Nomination Regulation is replaced by the following:

“**6.** The photograph attached to the nomination paper must show a full head view from the front or slightly from the side of the candidate, from the shoulders up with the face fully visible, against a plain light background and using photographic paper. The photograph must be passport size 50 mm wide x 70 mm high (2 inches wide x 2-3/4 inches high).”.

2. Form 42 is replaced by the form appearing in the Schedule.

3. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

* The Nomination Regulation, approved by the Committee on the National Assembly on 23 March 1989 (1989, *G.O.* 2, 1580), was last amended by the regulation approved by the Committee on the National Assembly on 31 March 2004 (2004, *G.O.* 2, 1287). For previous amendments, refer to the *Tableau des modifications et Index sommaire*, Éditeur officiel du Québec, 2016, updated to 1 July 2016.



DGE-42-VA (18-01)
Election Act
(CQLR, c. E-3.3, s. 59 and 239)

Nomination paper

Identification of the candidate

* Given name

* Surname

IMPORTANT
The given name and surname opposite will be entered on the ballot paper

Where applicable, I have appended an affidavit with this form to the effect that my ordinary given name and surname are those under which I am commonly known in political, professional and social life.

* Date of birth
Year Month Day

* Occupation

* Address
Number Street Municipality Postal code

Email

* Telephone
Home Other number

Status

* Membership in an authorized political party

Name of the party as authorized

I am appending hereto a letter from the leader of the authorized party who recognizes me as a candidate of that party.

or

* I want the mention "Independent" to appear on the ballot paper.

Yes, in French
 English
 French/English
 English/French

No

Official agent

* Given name

* Surname

* Address
Number Street Municipality Postal code

Email

* Telephone
Home Other number

* Signature of the official agent

* Mandatory information

Designation of mandataries and sworn oaths of persons who collected the supporting signatures

Candidate – Complete this section if supporting signatures were collected

I, _____, state under oath that the _____ people whose names appear opposite my initials on the nomination paper affixed their signature in my presence, that I know them and that to my knowledge, they are electors in the electoral division concerned.

* Signature of the candidate _____

* Initials of the candidate _____

Stated under oath before me in _____,

on _____ 20 _____. _____

Signature of the returning officer

Mandatory

* _____
Given name

* _____
Surname

Domiciled at

Number Street Municipality Postal code

Telephone Other number Email

* Signature of the mandatory _____

Complete this section if supporting signatures were collected by the mandatory

I, _____, state under oath that the _____ people whose names appear opposite my initials on the nomination paper affixed their signature in my presence, that I know them and that to my knowledge, they are electors in the electoral division concerned.

* Signature of the mandatory _____

* Initials of the mandatory _____

Stated under oath before me in _____,

on _____ 20 _____. _____

Signature of the returning officer

Mandatory

* _____
Given name

* _____
Surname

Domiciled at

Number Street Municipality Postal code

Telephone Other number Email

* Signature of the mandatory _____

Complete this section if supporting signatures were collected by the mandatory

I, _____, state under oath that the _____ people whose names appear opposite my initials on the nomination paper affixed their signature in my presence, that I know them and that to my knowledge, they are electors in the electoral division concerned.

* Signature of the mandatory _____

* Initials of the mandatory _____

Stated under oath before me in _____,

on _____ 20 _____. _____

Signature of the returning officer

* Mandatory information

Designation of mandataries and sworn oaths of persons who collected supporting signatures (cont'd)

Mandatory	* <input type="text"/>	
	Given name	
	* <input type="text"/>	
	Surname	
Domiciled at	Number Street Municipality Postal code	
	Telephone Other number Email	
	* Signature of the mandatory _____	
	Complete this section if supporting signatures were collected by the mandatory	
I, _____, state under oath that the _____ people whose names appear opposite my initials on the nomination paper affixed their signature in my presence, that I know them and that to my knowledge, they are electors in the electoral division concerned.		
* Signature of the mandatory _____		
* Initials of the mandatory _____		
Stated under oath before me in _____,		
on _____ 20 ____ . _____		
Signature of the returning officer		

Mandatory	* <input type="text"/>	
	Given name	
	* <input type="text"/>	
	Surname	
Domiciled at	Number Street Municipality Postal code	
	Telephone Other number Email	
	* Signature of the mandatory _____	
	Complete this section if supporting signatures were collected by the mandatory	
I, _____, state under oath that the _____ people whose names appear opposite my initials on the nomination paper affixed their signature in my presence, that I know them and that to my knowledge, they are electors in the electoral division concerned.		
* Signature of the mandatory _____		
* Initials of the mandatory _____		
Stated under oath before me in _____,		
on _____ 20 ____ . _____		
Signature of the returning officer		

* Mandatory information

Declaration of the candidate*** I have appended hereto**

my birth certificate

or**one of the following identification documents:**

- my Québec health insurance card
 my Certificate of Canadian citizenship
 my Québec driver's licence
 my Canadian passport
 a copy of the order changing my name

and

A photograph of me showing a full head view from the front or slightly from the side, from the shoulders up with the face fully visible, against a plain light background and using photographic paper. The photograph must be passport size 50 mm wide x 70 mm high (2 inches wide x 2¾ inches high) and must be signed by me on the back.

* I, _____, am undertaking to run
as a candidate in the electoral division of _____.

and state that: 1. I am a qualified elector within the meaning of section 1 of the Election Act;
2. I am not ineligible within the meaning of section 235 of the Election Act.

In witness whereof, I have signed

in _____, on _____ 20_____.

* Signature of the candidate

* Mandatory information

**Authorization of an independent candidate
(check off one of the boxes and sign)**

- I hereby request to be authorized as an independent candidate pursuant to section 59 of the Election Act and I am providing the information below as required under the Election Act.
- I have been authorized by the Chief Electoral Officer as an elector who undertakes to run as an independent candidate pursuant to section 59.1 of the Election Act.
- I have been authorized by the Chief Electoral Officer as an independent Member of the National Assembly pursuant to section 62.1 of the Election Act.
- I do not wish to be authorized as an independent candidate. I understand that I cannot canvass or collect contributions, incur expenses, even from my own assets, or take out loans, otherwise, I will be committing an offence under the Election Act.

Identification of the independent candidate

(given name and surname at birth, if different from those indicated in the "Identification of the candidate" section)

* Given name

* Surname

* Address for communications (if different from that indicated in the "Identification of the candidate" section)

Number Street Municipality Postal code

* Telephone (if not indicated in the "Identification of the candidate" section)

* Address of the books and accounts

Indicate the address where the books and accounts related to the contributions collected and the expenses incurred will be kept:

Number Street Municipality Postal code

* Signature of the independent candidate Date

Attestation of the authorization by the returning officer

On behalf of the Chief Electoral Officer, I accept your application for authorization as an independent candidate:

Signature of the returning officer Date

* Mandatory information

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of: _____.

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.
 Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:
 1° A fine of \$500 to \$10,000 for a first offence;
 2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for nomination	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the elector who supports the nomination paper	
	No.	Surname (at birth)	Given name	Address (domicile)		Municipality
	1					
	2					
	3					
	4					
	5					
	6					
	7					
	8					
	9					
	10					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.
 Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper; when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:
 1° A fine of \$500 to \$10,000 for a first offence;
 2° A fine of \$5,000 to \$50,000 for every subsequent offence within five years.

Serial number for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who signs the signature	
	No.	Surname (at birth)	Given name	Address (domicile)		Municipality
	11					
	12					
	13					
	14					
	15					
	16					
	17					
	18					
	19					
	20					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

 Given name _____

 Surname

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Boxes reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who signs the signature
	No.	Surname (of birth)	Given name	Address (domicile) Municipality	
	21				
	22				
	23				
	24				
	25				
	26				
	27				
	28				
	29				
	30				

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Surname

Given name

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.
 Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 for a first offence;

2° A fine of \$3,000 for every subsequent offence within five years.

Sheet reserved for nomination	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who collected the signatures
	No.	Surname (at birth)	Given name	Address (domicile) Municipality	
	31				
	32				
	33				
	34				
	35				
	36				
	37				
	38				
	39				
	40				

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of: _____

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for verification	No.	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Indicate of the presence or absence of the signatures
		Surname (et birth)	Given name	Address (domicile)	Municipality	
	41					
	42					
	43					
	44					
	45					
	46					
	47					
	48					
	49					
	50					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who signs the signature	
	No.	Surname (at birth)	Given name	Address (domicile)		Municipality
	51					
	52					
	53					
	54					
	55					
	56					
	57					
	58					
	59					
	60					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

_____ Surname

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$50,000 for every subsequent offence within five years.

Seats reserved for verification	No.	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS			Signature	Initials of the person who signs the signature
		Surname (et birth)	Given name	Address (domicile)		
	61					
	62					
	63					
	64					
	65					
	66					
	67					
	68					
	69					
	70					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 249 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS			Signature	Number of persons who have signed
	Surname (at birth)	Given name	Address (domicile) Municipality		
71					
72					
73					
74					
75					
76					
77					
78					
79					
80					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of: _____.

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Stamps reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who signs the signature
	Surname (of birth)	Given name	Address (domicile)	Municipality	
81					
82					
83					
84					
85					
86					
87					
88					
89					
90					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for nomination	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who collected the signatures
	No.	Surname (at birth)	Given name	Address (domicile) Municipality	
	91				
	92				
	93				
	94				
	95				
	96				
	97				
	98				
	99				
	100				

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Surname

Given name _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.
 Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper; when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed; and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:
 1° A fine of \$500 to \$10,000 for a first offence;
 2° A fine of \$5,000 to \$30,000 for every subsequent offence within five years.

Sheet number for verification	No.	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Number of the person who has signed
		Surname (at birth)	Given name	Address (domicile)	Municipality	
	101					
	102					
	103					
	104					
	105					
	106					
	107					
	108					
	109					
	110					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who signs the nomination paper		
	No.	Surname (at birth)	Given name	Address (domicile)		Municipality	Signature
	111						
	112						
	113						
	114						
	115						
	116						
	117						
	118						
	119						
	120						

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name	Surname
------------	---------

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Source required for verification	No.	Surname (at birth)	Given name	Address (domicile)	Municipality	Signature	Initials of the person who provides the signatures
	121						
	122						
	123						
	124						
	125						
	126						
	127						
	128						
	129						
	130						

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.
 Penalties (Section 652 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:
 1° A fine of \$600 for a first offence;
 2° A fine of \$3,000 to \$50,000 for every subsequent offence within five years.

Electors required for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Signature	Initials of the person who has signed
	No.	Surname (at birth)	Given name	Address (domicile) Municipality		
	131					
	132					
	133					
	134					
	135					
	136					
	137					
	138					
	139					
	140					

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

_____ Surname

Given name _____
for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Boxes reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Municipality	Signature	Initials of the person who provides the signatures
	No.	Surname (et birth)	Given name	Address (domicile)			
	141						
	142						
	143						
	144						
	145						
	146						
	147						
	148						
	149						
	150						

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Space reserved for nomination	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Initials of the person who collected the signatures
	No.	Surname (at birth)	Given name	Address (domicile) Municipality	
	151				
	152				
	153				
	154				
	155				
	156				
	157				
	158				
	159				
	160				

Supporting signatures

We, the undersigned, electors entered on the list of electors for the electoral division of _____, hereby support the candidacy of:

Given name _____ Surname _____

for the election of a Member of the National Assembly for said electoral division.

The elector who supports a nomination paper must be entered on the list of electors for the electoral division for which the signature is collected.

Legal provisions

Under section 245 of the Election Act, the returning officer shall verify if the persons supporting the candidacy are indeed entered on the list of electors for the electoral division.

Penalties (Section 552 (2) (3) of the Election Act) Every person who supports a nomination paper, when she or he is not an elector whose name is entered on the list of electors for the electoral division for which the nomination paper is filed and every person who uses the signature of others as support on a nomination paper commits an offence and is liable to:

1° A fine of \$500 to \$10,000 for a first offence;

2° A fine of \$3,000 to \$30,000 for every subsequent offence within five years.

Section reserved for verification	WRITE LEGIBLY AND IN BLOCK LETTERS YOUR SURNAME, GIVEN NAME AND ADDRESS AS THEY APPEAR ON THE LIST OF ELECTORS				Municipality	Signature	Initials of the persons who signed the signatures
	Surname (at birth)	Given name	Address (domicile)	Address			
161							
162							
163							
164							
165							
166							
167							
168							
169							
170							

Receipt

I, _____, returning officer, have received this nomination paper. All of the required documents are appended hereto. Subject to the verification of the entry on the list of electors of the electors supporting this nomination paper, in all appearances it meets the requirements of the Election Act.

On _____ 20____.

Signature of the returning officer

Notice of conformity

I hereby certify that at least 100 electors supporting this nomination paper are entered on the list of electors for the electoral division and that this nomination paper meets the requirements of the Election Act.

On _____ 20____, at _____ (specify time and a.m. or p.m.).

Signature of the returning officer

103373

Draft Regulations

Draft Regulation

Code of Civil Procedure
(chapter C-25.01)

Family mediation — Amendment

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Regulation to amend the Regulation respecting family mediation, appearing below, may be made by the Government on the expiry of 45 days following this publication.

The draft Regulation follows up on the Act to amend the Civil Code and other legislative provisions as regards adoption and the disclosure of information (2017, chapter 12), which was assented to on 16 June 2017. It amends the tariff of fees payable by the Family Mediation Service for services provided by one or two mediators pursuant to article 442.1 of the Code of Civil Procedure (chapter C-25.01) where the adopter and the original family members wish to enter into or review an agreement referred to in article 579 of the Civil Code of Québec after the order of placement has been granted or whenever a dispute arises on how the agreement is to be applied.

Further information on the draft Regulation may be obtained by contacting Annie Gauthier, Direction générale des affaires juridiques, législatives et de l'accès à la justice, Direction des orientations et politiques, Ministère de la Justice, 1200, route de l'Église, 9^e étage, Québec (Québec) G1V 4M1; telephone: 418 646-5580, extension 20172; fax: 418 646-4894; email: annie.gauthier@justice.gouv.qc.ca

Any person wishing to comment on the draft Regulation is requested to submit written comments within the 45-day period to the Minister of Justice, 1200, route de l'Église, 9^e étage, Québec (Québec) G1V 4M1.

STÉPHANIE VALLÉE,
Minister of Justice

Regulation to amend the Regulation respecting family mediation

Code of Civil Procedure
(chapter C-25.01, a. 619)

1. The Regulation respecting family mediation (chapter C-25.01, r. 0.7) is amended by replacing section 11 by the following:

“**11.** Where the adopter and original family members wish to enter into or review an agreement referred to in article 579 of the Civil Code, as replaced by section 32 of the Act to amend the Civil Code and other legislative provisions as regards adoption and the disclosure of information (2017, chapter 12), after the order of placement has been granted or whenever a dispute arises on how the agreement is to be applied, the fees payable by the service, for the services provided by one or two mediators pursuant to article 442.1 of the Code of Civil Procedure (chapter C-25.01), are set on the basis of an hourly rate of \$110 for a mediation session up to a maximum of 2½ hours of mediation including, where applicable, time spent on work performed outside the sessions in connection with the mediation.

The first paragraph of section 10.3 applies, with the necessary modifications, to the fees payable by the parties.”

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

103368

Draft Regulation

Professional Code
(chapter C-26)

Physicians — Professional activities that may be engaged in within the framework of pre-hospital emergency services and care — Amendment

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 professional activities that may be engaged in within the framework of pre-hospital emergency services and care, made

by the board of directors of the Collège des médecins du Québec and appearing below, may be submitted to the Government which may approve it, with or without amendment, on the expiry of 45 days following this publication.

The draft Regulation allows police officers employed by a police force to pack wounds with hemostatic wound dressings.

The draft Regulation proposes to authorize all ambulance technicians to engage in new professional activities. The draft Regulation proposes in particular to authorize all ambulance technicians to perform maintenance and upkeep interventions of certain medical devices on a person with such devices. The draft Regulation also allows all ambulance technicians to engage in activities to clear a person's airway.

The draft Regulation proposes to remove the regulatory requirement of an individual prescription as a condition to engage in certain professional activities by an ambulance technician in advanced care.

The draft Regulation has no impact on the public and enterprises, including small and medium-sized businesses.

Further information may be obtained by contacting Linda Bélanger, assistant director of legal services, Collège des médecins du Québec, 1250, boulevard René-Lévesque Ouest, bureau 3500, Montréal (Québec) H3B 0G2; telephone: 1 888 633-3246 or 514 933-4441, extension 5362; fax: 514 933-3276; email: lbelanger@cmq.org

Any person wishing to comment is requested to submit written comments within the 45-day period to Diane Legault, Chair of the Office des professions du Québec, 800, place D'Youville, 10^e étage, Québec (Québec) G1R 5Z3. The comments will be forwarded by the Office to the Minister of Justice and may also be sent to the Collège des médecins as well as to interested persons, departments and bodies.

DIANE LEGAULT,
*Chair of the Office des
professions du Québec*

Regulation to amend the Regulation respecting the professional activities that may be engaged in within the framework of pre-hospital emergency services and care

Professional Code
(chapter C-26, s. 94, par. h)

1. The Regulation respecting the professional activities that may be engaged in within the framework of pre-hospital emergency services and care (chapter M-9, r. 2.1) is amended by the addition, after section 1, of the following division: “Division I.I – lay rescuer”.

2. This Regulation is amended by the insertion, after section 5, of the following:

“**5.1** Any police officer employed by a police department may perform wound packing using hemostatic gauze if he holds a certificate issued by his police department indicating that the police officer has successfully completed a training in particular in basic life support and in techniques of wound packing using hemostatic gauze and tourniquet.

The holder of this certificate must carry out the necessary requalification to maintain his certificate.”

3. Section 6 of this Regulation is replaced by the following:

“**6.** The professional activities determined in divisions II to V are engaged in under the clinical intervention protocols determined and approved, after consultation with the Collège des médecins du Québec, by the Minister of Health and Social Services, in accordance with the third paragraph of section 3 of the Act respecting pre-hospital emergency services (chapter S-6.2).”

4. Section 9 of this Regulation is amended by the addition, at the end, of the following subsections:

“(9) maintain or stop the prescribed flow rate of an intravenous infusion not containing medication;

“(10) adjust the flow rate of an intravenous infusion not containing medication, further to an individual prescription;

“(11) perform a laryngoscopy of a person whose respiratory tract is obstructed by a foreign body and proceed to withdraw it;

“(12) remove or reinstall the inner cannula tube of tracheostomy;

“(13) remove a peripheral intravenous catheter;

“(14) perform the irrigation, draining or removal of a:

a) free-draining urinary catheter;

b) free-draining nasogastric tube;

c) intestinal ostomy.”.

5. Section 12 of this Regulation is amended:

(1) by the deletion of subsection (3);

(2) by the addition, at the end, of the following subsections:

“(5) introduce an intravenous solution via intraosseous route and administer the required substances or medications;

“(6) perform an emergency electric cardioversion;

“(7) apply external cardiac stimulation.”.

6. Section 13 of this Regulation is amended:

(1) by the deletion of subsection (1);

(2) by the deletion of the paragraph *b* and *c* in the subsection (2).

7. This Regulation comes into force on the fifteenth day after the date of its publication in the *Gazette officielle du Québec*.

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Draft Regulation

An Act respecting the Régie de l'énergie
(chapter R-6.01)

Régie de l'énergie — Procedure

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (chapter R-18.1), that the Rules of procedure governing mediation of the Régie de l'énergie, appearing below, may be submitted to the government for approval on the expiry of 45 days from this publication.

These draft Rules aim to specify the terms of application of the new provisions of the Act respecting the Régie de l'énergie (chapter R-6.01) relating to mediation offered to consumers as part of the Régie de l'énergie complaint examination process. They will also enable these new provisions to come into force.

Further information may be obtained by contacting Mre. Véronique Dubois, secretary of the Régie de l'énergie, Tour de la Bourse, C.P. 001, 800, place Victoria, 2^e étage, bureau 2.55, Montréal (Québec) H4Z 1A2; phone: (514) 873-2452; fax: (514) 873-2070; E-mail: secretariat@regie-energie.qc.ca

Any person wishing to comment on the draft Rules is requested to submit written comments within the 45-day period to the secretary of the Régie de l'énergie. The comments will be forwarded to the Minister of Energy and Natural Resources, responsible for the administration of the Act respecting the Régie de l'énergie.

PIERRE MOREAU,
*The Minister of Energy and
Natural Resources*

Rules of procedure governing mediation of the Régie de l'énergie

An Act respecting the Régie de l'énergie
(chapter R-6.01, ss. 113 and 115)

CHAPTER I GENERAL PRINCIPLES

1. Mediation provides a means for reaching a negotiated settlement with respect to a complaint by a consumer against the electric power carrier or a distributor of electric power or natural gas, with a view to finding a mutually satisfactory solution.

2. The mediation process shall be governed by the rules provided herein and is intended to be flexible and non-formalistic.

CHAPTER II MEDIATION

3. The conference to which the Régie de l'énergie calls the parties pursuant to section 100.0.1 of the Act respecting the Régie de l'énergie (chapter R-6.01), as enacted by section 11 of the Act to implement the 2030 Energy Policy and to amend various legislative provisions (2016, chapter 35), may be held by using any appropriate technological means, with the parties' consent.

During this conference, the parties may confirm in writing their willingness to enter into mediation.

4. The reasons given by the electric power carrier or the distributor to justify its unwillingness to enter into mediation are transcribed in the decision on the complaint.

5. Within 15 days after receiving the parties' written confirmation of their willingness to enter into mediation, examination of the complaint is suspended and the mediator designated by the Régie calls the parties to a mediation session.

However, if the parties confirm in writing their willingness to enter into mediation during the conference referred to in section 3, examination of the complaint is suspended and a mediation session may, with the parties' consent, commence immediately before the mediator designated by the Régie.

6. The mediation sessions may be held by using any appropriate technological means, with the parties' consent.

DIVISION I ROLE OF THE MEDIATOR AND OBLIGATIONS OF THE PARTIES

7. The mediator must be capable of acting impartially and diligently and in accordance with the requirements of good faith.

The mediator has a duty to treat the parties fairly and must see that each party has an opportunity to argue its case. The mediator may also propose solutions, with the parties' consent.

8. The mediator may suspend a mediation session at any time in the interests of the parties or one of the parties. The mediator may also end the mediation session if warranted by the circumstances.

9. If the parties agree to enter into mediation to resolve the complaint, they shall sign the mediation agreement submitted by the mediator. The agreement shall specify, in particular, that mediation is undertaken freely and voluntarily, the role of the mediator, the obligations of the parties and the confidentiality of the mediation process.

10. The parties are required to participate in the mediation process in good faith, to be transparent with each other, including as regards the information in their possession, and to cooperate actively in searching for a solution.

The parties may, at any time in the mediation process, exchange offers, proposals or solutions in order to resolve the complaint.

DIVISION II CONFIDENTIALITY OF MEDIATION

11. The mediator and the parties to the mediation must preserve the confidentiality of anything said, written or done during mediation, subject to their agreement on the matter or to any special provisions of the law.

12. Consent to allow inadmissible evidence consisting of information and documents exchanged during mediation must be given in writing and be signed by the parties.

DIVISION III RESULTS OF MEDIATION

13. When mediation leads to an agreement, a written statement to that effect must be signed by the mediator and the parties.

The mediator must send this statement to the Régie, which ceases examining the complaint.

14. When mediation does not lead to an agreement, but the parties agree, in order that mediation be continued, to an extension of the period during which the examination of the complaint is suspended in accordance with section 100.1 of the Act respecting the Régie de l'énergie (chapter R-6.01), as amended by section 12 of the Act to implement the 2030 Energy Policy and to amend various legislative provisions (2016, chapter 35), the mediator sends written notice to that effect to the Régie prior to the end of this period. Failing such notice, the Régie resumes examining the complaint.

CHAPTER III FINAL PROVISIONS

15. Division I of Chapter III of the Rules of Procedure of the Régie de l'énergie (chapter R-6.01, r. 4.1) is repealed.

16. These Rules come into force on the fifteenth day following the date of their publication in the *Gazette officielle du Québec*.

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified

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