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Part 2 Laws and Regulations

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PROVINCE OF QUÉBEC

2nd SESSION

35th LEGISLATURE

QUÉBEC, 22 MAY 1997

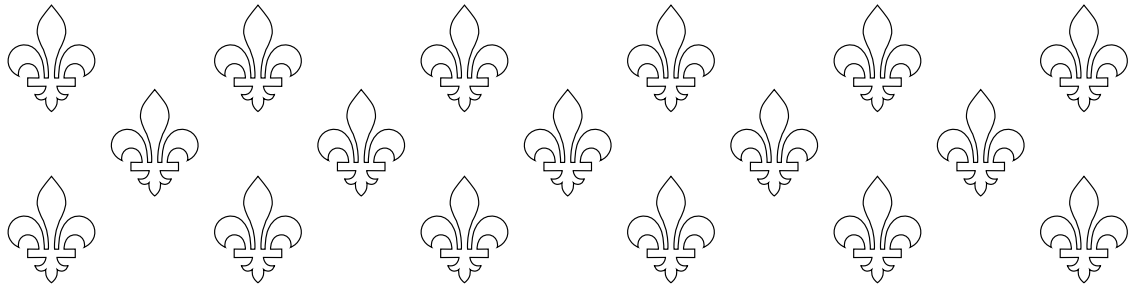
OFFICE OF THE LIEUTENANT-GOVERNOR

Québec, 22 May 1997

This day, at fifty-eight minutes past ten o'clock in the morning, the Honourable the Administrator of Québec was pleased to sanction the following bills:

- 81 An Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions
- 134 Appropriation Act No. 4, 1977-98

To these bills the Royal assent was affixed by the Honourable the Administrator of Québec.



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FIFTH LEGISLATURE

Bill 81
(1997, chapter 14)

**An Act to amend the Taxation Act,
the Act respecting the Québec sales tax
and other legislative provisions**

**Introduced 18 December 1996
Passage in principle 18 March 1997
Passage 13 May 1997
Assented to 22 May 1997**

**Québec Official Publisher
1997**

EXPLANATORY NOTES

This bill amends various Acts to give effect primarily to the Budget Speech delivered by the Minister of Finance on 9 May 1996, to the Minister's Statement of 26 November 1996 and to Information Bulletins 95-1, 95-5, 95-7, 96-1, 96-3, 96-4 and 96-5 issued by the Ministère des Finances respectively on 3 February 1995, 8 September 1995, 20 December 1995, 26 January 1996, 14 June 1996, 30 October 1996 and 22 November 1996.

Amendments are also introduced to give effect to various measures contained in the Budget Speeches delivered by the Minister of Finance on 20 May 1993 and 25 March 1997.

The bill repeals the Act to promote industrial development by means of fiscal advantages, that Act no longer having current application.

The bill amends the Land Transfer Duties Act to extend the scope of the payment exemption to certain transfers between corporations belonging to the same group and to withdraw from its application any transfer concerning land in Québec made after 9 May 1996.

The bill amends the Act respecting municipal taxation to define the liability for tax payable, as municipal property taxes, of a person who produces electrical power in Québec if that type of energy is supplied to an operator of an electric power production, transmission or distribution system.

The bill amends the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.), chiefly to provide that shares purchased by an employee who opts for retirement or pre-retirement may be redeemed at 55 years of age rather than at 60 years of age.

The bill amends the Tobacco Tax Act to define its application where tobacco sold in Québec is delivered outside Québec for consumption outside Québec.

The Taxation Act is amended primarily to amend or introduce a number of fiscal measures specific to Québec.

In particular, the measures

(1) *introduce a deduction for employees contributing to a retirement compensation arrangement;*

(2) *convert deductions for professional dues, other than the portion paid for professional or malpractice liability insurance, deductions for union and other similar dues and the deduction for the contribution to the Office des professions du Québec into non-refundable tax credits;*

(3) *extend the rules on the deductibility of certain home office expenses to certain partnerships;*

(4) *extend for two more years the tax assistance for mining, oil and gas exploration, and improve that tax assistance as regards various oil and gas exploration expenditures incurred in Québec;*

(5) *implement a tax holiday for Québec seamen employed on international freighters;*

(6) *establish a progressive reduction in base non-refundable tax credits for persons living alone, persons who have reached the age of 65 and persons receiving certain pension income;*

(7) *modify the restrictions on the non-refundable tax credit for the purchase of shares in the FTQ and CSN labour-sponsored funds to reduce the credit rate from 20% to 15% and to set the annual share purchase limit at \$3,500;*

(8) *provide for tax-free withdrawals of funds accumulated in a registered home ownership savings plan if the funds are to be used for renovation, and revoke such plans on 31 December 1999;*

(9) *introduce rules, similar to those applicable to registered charities, to apply to recognized arts organizations and under which an annual spending requirement will be imposed;*

(10) *require a person to file an income tax return if the person deducts a loss for a preceding year;*

(11) *limit refundable tax credits for losses solely to corporations able to take full advantage of the preferential tax rate of 5.75%;*

(12) *eliminate for large corporations the refund limit on various tax credits;*

(13) implement a refundable tax credit for the production of multimedia titles ;

(14) promote the marine industry in Québec through a refundable tax credit for shipbuilding and a reduction in the tax on capital if ships are acquired ;

(15) modify the rules for calculating the refundable tax credit for child care expenses in cases where one of the persons paying the expenses operates a business ;

(16) require certain persons applying for a refundable tax credit for child care expenses to file with their fiscal return a copy of a statement produced by the person who provided the child care services for gain ;

(17) concern the refundable tax credit for taxis ;

(18) require savings and credit unions and the FTQ and CSN labour-sponsored funds to pay the tax on capital ;

(19) implement an additional tax on capital to apply to life insurance corporations ; and

(20) introduce a contribution to the fund established to combat poverty through employment reintegration.

The bill amends the Licenses Act, chiefly to broaden the right of small-scale producers to sell directly to consumers at the production site.

The bill amends the Act respecting the Ministère du Revenu to

(1) extend the liability of a person who liquidates the property of another person to the amounts payable by that other person ;

(2) enable the Minister of Revenue to prevent the commercial activity of a person who is under an injunction, or whose registration certificate under the Act respecting the Québec sales tax has been revoked, from being continued by a third person with whom the person is not dealing at arm's length ;

(3) extend the liability of corporate directors to contributions payable under the Act respecting the Régie de l'assurance-maladie du Québec ;

(4) extend the liability of corporate directors to the full amount of a debt if part of the debt is already covered by a certificate of exigibility and the writ of execution for that certificate returns unfulfilled;

(5) extend the application of the refund limitation in a case of bankruptcy to any other debt to which set-off may be applied under a fiscal law;

(6) authorize the Minister of Revenue to change a taxpayer's terms of payment of an amount owing in the event that the taxpayer becomes insolvent;

(7) authorize the Minister of Revenue to compel certain classes of persons to file documents by electronic filing or on a computer-generated medium;

(8) prescribe a penalty for persons who unduly obtain refunds under the Act respecting the Québec sales tax;

(9) prescribe a penalty for persons who repeatedly fail to report income; and

(10) prescribe a fine for persons who fail to register under the Act respecting the Québec sales tax.

The bill amends the Act respecting labour standards to extend the deadline by which employers are required to pay the contribution under the Act.

The bill amends the Act respecting the Régie de l'assurance-maladie du Québec to introduce, for certain corporations which are not otherwise fully tax exempt, a reduction in the contribution they are required to pay as employers to the Health Services Fund.

The bill amends the Act respecting the Québec Pension Plan and the Act respecting real estate tax refund to allow the regulations of a fiscal nature made under those Acts to come into force on a date prior to the date on which they are published in the Gazette officielle du Québec.

The bill amends the Act respecting Québec business investment companies to eliminate the possibility for a QBIC of investing in a qualified corporation by underwriting a convertible security and to increase from two to five years the period during which no considerable cash outflow may be made by a qualified corporation in which a QBIC invests.

The bill repeals the Act respecting fiscal incentives to industrial development, that Act no longer having current application.

The bill amends the Act respecting the Québec sales tax, primarily to add measures specific to the tax system in Québec or to make adjustments to such measures.

In particular, the amendments,

(1) extend the tax treatment granted to 1-800 telephone service to 1-888 service ;

(2) grant a rebate of tax paid when a pleasure boat is brought into Québec to be stored for the winter ;

(3) maintain the rebate of tax paid on union or professional dues or dues paid to a recognized artists' association, the deductions for those dues having been converted into tax credits ;

(4) increase the percentage of the partial tax rebate granted to hospital administrations ;

(5) maintain the payment of compensations to the municipalities of Montréal and Québec ;

(6) replace the compensation measure pertaining to books by a zero-rating measure ;

(7) relax the self-supply rule for the builder of a single-unit residential complex or residential unit held in co-ownership ;

(8) replace the reference book used to calculate tax payable on the sale of used motor vehicles ;

(9) subject the supply of certain products used in the making of beer and wine to tax ;

(10) broaden the right of small-scale producers to sell directly to consumers at the production site ;

(11) repeal the road-use tax ; and

(12) introduce provisions pertaining to the specific tax on lodging.

The bill amends the Fuel Tax Act, chiefly to make the technical amendments required as a result of the participation of Québec in the International Fuel Tax Agreement.

The bill amends the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi, chiefly to provide that shares purchased by an employee who opts for retirement or pre-retirement may be redeemed at 55 years of age rather than at 60 years of age.

The bill also amends other legislation to make various technical and consequential amendments and changes in terminology.

LEGISLATION AMENDED BY THIS BILL :

- Land Transfer Duties Act (R.S.Q., chapter D-17);
- Act respecting municipal taxation (R.S.Q., chapter F-2.1);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1);
- Tobacco Tax Act (R.S.Q., chapter I-2);
- Taxation Act (R.S.Q., chapter I-3);
- Act respecting the application of the Taxation Act (R.S.Q., chapter I-4);
- Licenses Act (R.S.Q., chapter L-3);
- Act respecting the Ministère du Revenu (R.S.Q., chapter M-31);
- Act respecting labour standards (R.S.Q., chapter N-1.1);
- Act respecting the Régie de l'assurance-maladie du Québec (R.S.Q., chapter R-5);
- Act respecting the Québec Pension Plan (R.S.Q., chapter R-9);
- Act respecting real estate tax refund (R.S.Q., chapter R-20.1);
- Act respecting income security (R.S.Q., chapter S-3.1.1);
- Act respecting Québec business investment companies (R.S.Q., chapter S-29.1);

- Act respecting the Québec sales tax (R.S.Q., chapter T-0.1);
- Fuel Tax Act (R.S.Q., chapter T-1);
- Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, chapter 1);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (1995, chapter 48);
- Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, chapter 63).

LEGISLATION REPEALED BY THIS BILL :

- Act to promote industrial development by means of fiscal advantages (R.S.Q., chapter D-9);
- Act respecting fiscal incentives to industrial development (R.S.Q., chapter S-34).

Bill 81

AN ACT TO AMEND THE TAXATION ACT, THE ACT RESPECTING THE QUÉBEC SALES TAX AND OTHER LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS :

ACT TO PROMOTE INDUSTRIAL DEVELOPMENT BY MEANS
OF FISCAL ADVANTAGES

1. (1) The Act to promote industrial development by means of fiscal advantages (R.S.Q., chapter D-9) is repealed.

(2) Subsection 1 applies to taxation years that begin after 22 November 1996. In addition, where the said Act, repealed by subsection 1, applies to the taxation year of a company that includes that date, section 2 of the said Act shall be read without reference to subsections 6 and 7 thereof.

LAND TRANSFER DUTIES ACT

2. (1) Section 42 of the Land Transfer Duties Act (R.S.Q., chapter D-17), amended by section 6 of chapter 3 of the statutes of 1997, is replaced by the following section :

“**42.** There shall be an exemption from the payment of duties in the case of a transfer between closely related corporations provided that the application for registration of the transfer mentions the fact that the transferor and the transferee are closely related corporations.

For the purposes of the first paragraph, a particular corporation and another corporation are closely related to each other at any time if the other corporation is a corporation not less than 90% of the issued shares of the capital stock having full voting rights of which are owned

(a) by the particular corporation ;

(b) by a qualifying subsidiary of the particular corporation ;

(c) by a corporation of which the particular corporation is a qualifying subsidiary ;

(d) by a qualifying subsidiary of a corporation of which the particular corporation is a qualifying subsidiary ; or

(e) any combination of the corporations or subsidiaries referred to in subparagraphs *a* to *d*.

For the purposes of the second paragraph, “qualifying subsidiary” of a particular corporation means another corporation not less than 90% of the issued shares of the capital stock having full voting rights of which are owned by the particular corporation.”

(2) Subsection 1 applies in respect of transfers of land made after 20 December 1995.

3. The said Act is amended by inserting, after section 49, the following section:

“**49.1.** This Act ceases to apply in respect of transfers of land situated in Québec made after 9 May 1996.”

ACT RESPECTING MUNICIPAL TAXATION

4. (1) Section 68 of the Act respecting municipal taxation (R.S.Q., chapter F-2.1) is amended by adding, after the sixth paragraph, the following paragraph:

“Any structure used to produce electric power supplied to a person who operates a system referred to in this section is deemed to be a part of that system, and the person who operates the structure is deemed to operate such a system.”

(2) Subsection 1 is declaratory, except in respect of cases pending on 18 September 1996 and notices of objection served on the Minister of Revenue on or before that date, in which a ground in the dispute, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, concerns the interpretation of the word “system” for the purposes of section 221 of the said Act or the inclusion, under subparagraph *a* of paragraph 2 of section 228 of the said Act, replaced by paragraph 2 of subsection 1 of section 5, in computing taxable gross revenue, of gross revenue derived from the sale of electric power for purposes other than consumption in Québec.

5. (1) Section 228 of the said Act is amended

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

“(c) in the case of an electric power production, transmission or distribution system, all the gross revenue derived from the sale of electric power to Québec consumers served by that system, or for the purpose of resale to Québec consumers;”;

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

“(a) the amount of gross revenue derived from the sale of electric power for consumption in Québec or for the purpose of resale to Québec consumers, less the amount of gross revenue derived from the sale of power referred to in the second paragraph of section 222, and less the amount of purchases of electric power for resale, if that power is produced in Québec; and”.

(2) Subsection 1 is declaratory, except in respect of cases pending on 18 September 1996 and notices of objection served on the Minister of Revenue on or before that date, in which a ground in the dispute, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, concerns the interpretation of the word “system” for the purposes of section 221 of the said Act, or the inclusion, under subparagraph *a* of paragraph 2 of section 228 of the said Act, replaced by paragraph 2 of subsection 1, in computing taxable gross revenue, of gross revenue derived from the sale of electric power for purposes other than consumption in Québec.

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

6. (1) Section 10 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1) is amended

(1) by replacing, in subparagraph 1 of the first paragraph, “60 years” by “55 years”;

(2) by striking out the second and third paragraphs.

(2) Paragraph 1 of subsection 1 applies to the redemption of shares or of fractions of shares made after 9 May 1996.

(3) Paragraph 2 of subsection 1 has effect from 22 June 1989.

7. (1) Section 10.1 of the said Act is amended by replacing the first paragraph by the following paragraph:

“**10.1.** For the purposes of paragraph 5 of section 10, a disability is severe only if by reason thereof the person is incapable regularly of pursuing any substantially gainful occupation.”

(2) Subsection 1 has effect from 22 June 1989.

8. (1) Section 11 of the said Act is amended

(1) by replacing, in the first paragraph, “subparagraph 1, 2, 3 or 5 of the first paragraph” by “paragraph 1, 2, 3 or 5” and, in the fifth paragraph, “subparagraph 4 of the first paragraph” by “paragraph 4”;

(2) by striking out the sixth paragraph.

(2) Subsection 1 has effect from 22 June 1989.

TOBACCO TAX ACT

9. Section 17.2 of the Tobacco Tax Act (R.S.Q., chapter I-2) is amended by replacing the first and second paragraphs by the following paragraphs:

“17.2. The holder of a collection officer’s permit shall collect, as a mandatary of the Minister, an amount equal to the tax provided for in section 8 from every person to whom he sells, delivers or causes to be delivered tobacco in a package identified in accordance with section 13.1 or any other package of tobacco intended for retail sale in Québec.

That requirement does not apply in respect of tobacco sold or delivered by a collection officer if he is exempted therefrom pursuant to an agreement under section 17. The same applies in respect of tobacco in a package identified in accordance with section 13.1 where the delivery of the tobacco is made outside Québec for consumption outside Québec and is authorized under section 13.2.”

TAXATION ACT

10. (1) Section 1 of the Taxation Act (R.S.Q., chapter I-3), amended by section 11 of chapter 1 of the statutes of 1995, by section 1 of chapter 49 of the statutes of 1995, by section 12 of chapter 63 of the statutes of 1995, by section 8 of chapter 39 of the statutes of 1996 and by section 13 of chapter 3 of the statutes of 1997, is again amended

(1) by replacing the definition of “office” by the following definition:

““office” means the position of an individual entitling him to a fixed or ascertainable stipend or remuneration and includes a judicial office, the office of a Minister of the Crown, the office of a member of a legislative assembly, of a member of the Senate or House of Commons of Canada, or of a member of an executive council and any other office, the incumbent of which is elected by popular vote or is elected or appointed in a representative capacity, and also includes the position of member of the board of directors of a corporation even where the individual neither performs administrative functions within the corporation nor receives stipends or a remuneration to hold that position;”;

(2) by inserting the following definition, which is to be ordered alphabetically:

““recognized arts organization” means an arts organization that is recognized by the Minister on the recommendation of the Minister of Culture and Communications and whose recognition is in effect, but does not include a registered charity;”.

(2) Paragraph 1 of subsection 1 is declaratory, except in respect of cases pending on 4 April 1990 and notices of objection served on the Minister of Revenue on or before that date, where one of the issues in dispute on that date concerns the scope of the definition of “office” in section 1 of the said Act and the ground, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, alleges that the position of member of the board of directors of a corporation does not constitute an office.

(3) Paragraph 2 of subsection 1 has effect from 10 May 1996.

11. (1) Section 4 of the said Act is amended

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

“(a) where the taxpayer is the only person who has received an amount under section 3, the lesser of” ;

(2) by replacing, in the French text, subparagraph i of paragraph *a* by the following subparagraph :

“i. l’ensemble des montants ainsi reçus par le contribuable dans l’année ;” ;

(3) by replacing, in the French text of subparagraph ii of paragraph *a*, the words “de l’excédent de” by the words “l’excédent de” ;

(4) by inserting, in the French text of the portion of paragraph *b* before subparagraph i, after the word “moindre”, the words “des montants suivants” ;

(5) by striking out, in the French text of subparagraphs i and ii of paragraph *b*, the words “soit de”.

(2) Subsection 1 applies from the taxation year 1996.

12. (1) The said Act is amended by inserting, after section 7.17, enacted by section 13 of chapter 39 of the statutes of 1996, the following section :

“7.18. For the purposes of this Part, where in a taxation year a person who is not resident in Canada carries on an activity, or disposes of a property, described in the second paragraph, the person is deemed to carry on business in Canada in the year in respect of the activity or disposition.

For the purposes of the first paragraph,

(a) an activity to which that paragraph refers is an activity that consists

i. in producing, growing, mining, creating, manufacturing, fabricating, improving, packing, preserving or constructing, in whole or in part, anything

in Canada whether or not the person exports that thing without disposing of it before exportation, or

ii. in soliciting orders or offering anything for sale in Canada through an agent or servant, whether the contract or transaction is to be completed inside or outside Canada or partly in and partly outside Canada ; and

(b) a property to which that paragraph refers is

i. Canadian resource property, except where an amount in respect of the disposition thereof is included in computing an amount determined under paragraph *e* of section 330 on account of an amount deducted under section 412 in computing the cumulative Canadian development expenses at the end of a taxation year or under section 418.12 on account of an amount deducted under section 418.6 in computing the cumulative Canadian oil and gas property expenses at the end of a taxation year,

ii. property, other than depreciable property, that is a timber resource property or an interest therein or option in respect thereof, or

iii. property, other than capital property, that is an immovable property situated in Canada, including an interest therein or option in respect thereof, whether or not the property is in existence.”

(2) Subsection 1 applies from the taxation year 1996.

13. Section 21.11.20 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by inserting, in the English text of the portion of paragraph *c* before subparagraph i, after the words “were established”, the words “in writing”.

14. (1) Section 21.21 of the said Act, replaced by section 17 of chapter 3 of the statutes of 1997, is amended by replacing “771.1.2 to 771.1.5” by “771.1.2 to 771.1.5.2”.

(2) Subsection 1 applies to taxation years that end after 30 June 1994.

15. (1) Section 21.35.1 of the said Act is amended

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

“21.35.1. For the purposes of this Part, other than section 58.3 and this section, an amount claimed by a taxpayer as an input tax refund or a rebate with respect to the Québec sales tax in respect of a property or service is deemed to be assistance from a government in respect of the property or service that is received by the taxpayer

(a) where the amount is claimed as an input tax refund in a return filed under the Act respecting the Québec sales tax (chapter T-0.1) for a reporting period under that Act,”;

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

“(b) where the amount is claimed as a rebate with respect to the Québec sales tax, at the time the amount was received by, or credited to, the taxpayer.”

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

16. (1) Section 21.38 of the said Act is replaced by the following section:

“**21.38.** For the purposes of this Part, where an amount is added at a particular time in determining the net tax of a taxpayer under the Act respecting the Québec sales tax (chapter T-0.1) in respect of an input tax refund relating to property or a service that had been previously deducted in determining the net tax of the taxpayer, that amount is deemed to be assistance repaid at the particular time in respect of the property or service pursuant to a legal obligation to repay all or part of that assistance.”

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

17. (1) Section 25 of the said Act, amended by section 14 of chapter 1 of the statutes of 1995 and by section 17 of chapter 63 of the statutes of 1995, is again amended by replacing the second paragraph by the following paragraph:

“The tax payable under sections 750 and 751 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 those sections on his taxable income determined under section 24 if the individual were resident in Québec, that is the proportion, which shall not exceed 1, that that income earned in Québec is of the amount by which the amount that would have been the individual’s income, computed without reference to sections 36.1, 309.1, 334.1 and 1029.8.50, had the individual been resident in Québec on the last day of the taxation year, exceeds any amount deducted by the individual under any of sections 726.20.2, 737.16, 737.16.1, 737.21, 737.25 and 737.28 in computing that taxable income.”

(2) Subsection 1 applies from the taxation year 1996.

18. (1) The said Act is amended by inserting, after section 39.1, the following sections:

“**39.2.** An individual who is a Member of the National Assembly or of the legislature of another province is not required to include in computing his income for a taxation year an amount equal to the amount by which

(a) the portion of the allowance he receives in the year for expenses incident to the discharge of his duties, which does not exceed one-half of the

maximum fixed amount provided by law as payable to him by way of salary, indemnity and other remuneration in respect of attendance at a session; exceeds

(b) the lesser of

i. 6% of his income for the year from that office, determined by taking into account the allowance he receives in the year for expenses incident to the discharge of his duties,

ii. the portion of the allowance referred to in paragraph *a*, and

iii. \$750.

“39.3. An individual who is an elected member of a municipal council, a member of the council or executive committee of an urban community, regional county municipality or other similar body constituted by an Act of the legislature of Québec or a member of a municipal utilities commission or corporation or any other similar body administering such a service or a member of a public or separate school board or any other similar body administering a school district, is not required to include in computing his income for a taxation year the allowance he receives in the year from such municipality or body for expenses incident to the discharge of his duties, other than an allowance he is not otherwise required to include in computing his income, to the extent that such allowance does not exceed one-half of the amount, determined without reference to that allowance, paid to him in the year by the municipality or body by way of salary or other remuneration.

“39.4. An individual who is a member of the council of a regional county municipality is not required to include in computing his income for a taxation year an amount he receives in the year from the municipality as an allowance for, or reimbursement of, travelling expenses other than those incurred in the performance of his duties, to the extent that the amount does not exceed a reasonable amount.

“39.5. An individual who had part-time employment with an employer with whom he was dealing at arm’s length and who during a period throughout which he had that employment, had other employment or was carrying on a business, is not required to include in computing his income for a taxation year an amount he receives in the year from that employer as an allowance for, or reimbursement of, travelling expenses other than expenses incurred in the performance of the duties of his part-time employment, to the extent that the amount does not exceed a reasonable amount, if the individual must perform his duties at a location not less than 80 kilometres from the individual’s ordinary place of residence and the principal place of his other employment or the principal place in which he carries on his business.”

(2) Subsection 1 applies from the taxation year 1996.

19. (1) Section 41.2.1 of the said Act, amended by section 18 of chapter 1 of the statutes of 1995 and by section 24 of chapter 49 of the statutes of 1995, is again amended

(1) by striking out subparagraph *b* of the second paragraph;

(2) by replacing, in the third paragraph, the words “Act respecting the Québec sales tax” by the words “Act respecting the Québec sales tax (chapter T-0.1)”.

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

20. Section 47.13 of the said Act is amended by replacing, in the English text of paragraph *a*, the word “subsection” by the word “section”.

21. Section 58 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by adding the following paragraph:

“However, section 53 does not apply to the case contemplated by this section.”

22. (1) Section 58.3 of the said Act is amended, in the portion before paragraph *a*, by striking out the words “or compensation”.

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

23. (1) Section 59.1 of the said Act is replaced by the following section:

“59.1. For the purposes of this Title, other than sections 32 and 33 and Division VI of Chapter II, the amount of any rebate paid or payable to a taxpayer under the Act respecting the Québec sales tax (chapter T-0.1) in respect of the Québec sales tax or under the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) in respect of the goods and services tax is deemed not to be an amount that is reimbursed to the taxpayer or to which the taxpayer is entitled.”

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

24. (1) Division IV of Chapter III of Title II of Book III of Part I of the said Act is repealed.

(2) Subsection 1 applies from the taxation year 1997. In addition, where section 68 of the said Act, repealed by subsection 1, applies to the taxation year 1996, it shall be read by adding, after paragraph *g*, the following paragraph:

“(h) a contribution he is required to pay under section 10 of the Act to amend the Professional Code (1995, chapter 50).”

25. (1) The said Act is amended by inserting, after section 70.1, enacted by section 30 of chapter 49 of the statutes of 1995, the following section:

“**70.2.** An individual may deduct an amount contributed by him in the year to a pension plan in respect of services rendered by him where the plan is a prescribed plan or where

(a) the plan is a retirement compensation arrangement;

(b) the amount was paid to a custodian, within the meaning of subparagraph *b* of the first paragraph of section 890.1, of the arrangement who is resident in Canada; and

(c) either

i. the individual was required, by the terms of the individual’s office or employment, to contribute the amount, and the aggregate of the amounts contributed to the plan in the year by him does not exceed the aggregate of the amounts contributed to the plan in the year by any other person in respect of the individual, or

ii. the plan is a pension plan the registration of which was revoked under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), other than a plan the registration of which was revoked as of the effective date of its registration, and the amount was contributed in accordance with the terms of the plan as last registered.”

(2) Subsection 1 applies from the taxation year 1992.

26. (1) The said Act is amended by inserting, after section 75, the following:

“DIVISION V.1

“PROFESSIONAL OR MALPRACTICE LIABILITY INSURANCE

“**75.1.** An individual may deduct an amount paid by him in the year as professional or malpractice liability insurance if the payment was necessary to maintain a professional status recognized by statute.”

(2) Subsection 1 applies from the taxation year 1997.

27. (1) Section 78.5 of the said Act is amended by replacing “section 39.1, 62.0.1 or 492.1” by “section 39.1, paragraph *b* of section 39.2 or section 62.0.1”.

(2) Subsection 1 applies from the taxation year 1996.

28. Section 85.3 of the said Act is amended, in the English text of paragraph *b*, by replacing the words “anything used” by the words “property used”.

29. (1) Section 87 of the said Act, amended by section 21 of chapter 1 of the statutes of 1995, by section 32 of chapter 49 of the statutes of 1995, by section 26 of chapter 63 of the statutes of 1995, by section 27 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph ii of paragraph *w* by the following subparagraph:

“ii. except as provided in sections 1029.8.18, 1029.8.18.0.1 and 1029.8.32, in subparagraph i of subparagraphs *a* and *b* of the first paragraph of section 1029.8.33.3, in subparagraph *c* of the first paragraph of section 1029.8.33.3, in section 1029.8.33.7.1, in subparagraph *e* of the second paragraph of section 1029.8.34, in section 1029.8.36.0.1, in the definition of “qualified wages” in the first paragraph of section 1029.8.36.4, in section 1029.8.36.18 and in subparagraph *a* of the third paragraph of section 1029.8.36.54, does not reduce, for the purposes of this Part, the cost or capital cost of the property or the amount of the outlay or expense, as the case may be.”.

(2) Subsection 1 has effect from 10 May 1996.

30. Section 87.2 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by replacing the words “the business of providing personal services” by the words “a personal services business”.

31. (1) Section 93.6 of the said Act is replaced by the following section:

“**93.6.** In applying paragraph *e* of section 93 in respect of paragraph *a* of section 130 and any regulations made under that paragraph *a*, for the purpose of computing a taxpayer’s income for a taxation year from a business or property, no amount shall be included in calculating the undepreciated capital cost to the taxpayer of depreciable property of a prescribed class in respect of the capital cost to the taxpayer of a property of that class, other than prescribed property or property that is a certified Québec film, a Québec film production or a certified production, within the meaning of the regulations made under paragraph *a* of section 130, before the time at which the property is considered to have become available for use by the taxpayer.”

(2) Subsection 1 applies in respect of property acquired by a taxpayer after 31 December 1989 other than, in the case of depreciable property belonging before 1 January 1990 to the person from whom it was acquired, property acquired from a person with whom the taxpayer was not dealing at arm’s length, otherwise than by reason of a right referred to in paragraph *b* of section 20 of the said Act, at the time at which the property was acquired, or in the course of a reorganization in respect of which, if a dividend were received by a corporation in the course of the reorganization, section 308.1 of the said Act would not apply to the dividend by reason of section 308.3. However, where section 93.6 of the said Act, enacted by subsection 1, applies before 19 December 1990, it shall be read without reference to “, a Québec film production”.

32. Section 97.5 of the said Act is amended by replacing, in the English text, subparagraph ii of paragraph *a* by the following subparagraph:

“ii. the amount by which the fair market value of the property at the earlier of the expiration of the last period of time in respect of which the deductible outlay or expense referred to in subparagraph i was made or incurred, and the time of the disposition exceeds the capital cost to the taxpayer of the property immediately before that time; and”.

33. Section 98 of the said Act is amended

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

“**98.** Where, in calculating the amount of a deduction allowed under section 130.1 or regulations made under paragraph *a* of section 130 in respect of depreciable property of a prescribed class, in this section referred to as the “particular class”, there has been added to the capital cost of depreciable property of the particular class the capital cost of depreciable property, in this section referred to as “added property”, of another prescribed class, for the purposes of this division, sections 130.1, 142 and 149 and any regulations made under paragraph *a* of section 130, the added property is, if the Minister so directs with respect to any taxation year for which the Minister may make any assessment, reassessment or additional assessment, in accordance with section 1010, deemed to have been, at all times before the beginning of that year, property of the particular class and not of the other class.”;

(2) by replacing, in the English text, the second paragraph by the following paragraph:

“Except to the extent that the added property or any part thereof has been disposed of by the taxpayer before the beginning of the year, the added property is deemed to have been transferred from the particular class to the other class at the beginning of that year.”

34. Section 101.4 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is replaced, in the French text, by the following section:

“**101.4.** Pour l’application de l’article 101, lorsque, à un moment donné, un contribuable qui est un bénéficiaire d’une fiducie ou un membre d’une société de personnes a reçu ou est en droit de recevoir une aide d’un gouvernement, d’une municipalité ou d’un autre organisme public, que ce soit sous forme de subvention, de prime, de prêt à remboursement conditionnel, de déduction d’impôt, d’allocation d’investissement ou sous toute autre forme, la partie du montant de cette aide que l’on peut raisonnablement considérer comme se rapportant soit à un bien amortissable de la société de personnes ou de la fiducie, soit à l’acquisition d’un tel bien, est réputée avoir été reçue à ce moment par la société de personnes ou la fiducie, selon le cas, à titre d’aide d’un gouvernement, d’une municipalité ou d’un autre organisme public pour l’acquisition d’un tel bien.”

35. (1) Section 112.2.1 of the said Act, amended by section 24 of chapter 1 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“The first paragraph does not apply in respect of a supply of property or a service, at any particular time, in respect of which no Québec sales tax would be payable by the taxpayer referred to in the first paragraph if he himself were the recipient of the supply at that time.”;

(2) by replacing, in the third paragraph, the words “Act respecting the Québec sales tax” by the words “Act respecting the Québec sales tax (chapter T-0.1)”.

(2) Subsection 1 applies in respect of property acquired after 9 May 1996.

36. Section 122 of the said Act, amended by section 41 of chapter 39 of the statutes of 1996, is again amended by replacing, in the English text, the words “non-resident person” by the words “person not resident in Canada who is”.

37. The heading of Division VI of Chapter II of Title III of Book III of Part I of the said Act is replaced, in the English text, by the following heading :

“LOAN TO A PERSON NOT RESIDENT IN CANADA”.

38. Section 126 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text, the words “non-resident person” by the words “person not resident in Canada”.

39. (1) The said Act is amended by inserting, after section 134, the following sections :

“**134.1.** An individual shall not deduct, in computing his income for a taxation year, any amount paid by him in the year, or payable by him in respect of that year, as

(a) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute ;

(b) annual dues the payment of which was necessary to maintain membership in an artists’ association recognized by the Minister on the recommendation of the Minister of Culture and Communications ;

(c) a contribution the individual was required to pay under section 10 of the Act to amend the Professional Code (1995, chapter 50) or section 196.3 of the Professional Code (chapter C-26).

The annual dues described in subparagraph *a* or *b* of the first paragraph do not include the portion thereof that is, in effect, levied under a retirement plan, a plan for annuities, insurance or similar benefits, or for any other purpose not directly related to the ordinary operating expenses of the entity to which they were paid, or that corresponds to the Québec sales tax or the goods and services tax in respect of such dues.

“134.2. A partnership shall not deduct, in computing its income for a taxation year, any amount paid by it in the year, or payable by it in respect of the year, on behalf of an individual who is a member of the partnership, as

(a) annual professional membership dues the payment of which was necessary for the individual to maintain a professional status recognized by statute;

(b) annual dues the payment of which was necessary for membership of the individual in an artists' association recognized by the Minister on the recommendation of the Minister of Culture and Communications;

(c) a contribution the individual was required to pay under section 10 of the Act to amend the Professional Code (1995, chapter 50) or section 196.3 of the Professional Code (chapter C-26).

The annual dues described in subparagraph *a* or *b* of the first paragraph do not include the portion thereof that is, in effect, levied under a retirement plan, a plan for annuities, insurance or similar benefits, or for any other purpose not directly related to the ordinary operating expenses of the entity to which they were paid, or that corresponds to the Québec sales tax or the goods and services tax in respect of such dues.

“134.3. Where an amount would, but for section 134.2, be deductible in computing the income of a partnership for a particular taxation year as dues described in subparagraph *a* or *b* of the first paragraph of that section or as a contribution described in subparagraph *c* of that paragraph, the following rules apply:

(a) where a corporation is a member of the partnership at the end of the particular taxation year, the corporation's share of the amount shall be deductible in computing the corporation's income for the taxation year in which the particular taxation year ends;

(b) where a particular partnership is a member of the partnership at the end of the particular taxation year, the particular partnership's share of the amount is deemed to be an amount paid by the particular partnership in the particular partnership's taxation year in which the particular taxation year ends, or an amount payable by the particular partnership in respect of the particular partnership's taxation year in which the particular taxation year ends, as dues described in subparagraph *a* or *b* of the first paragraph of section 134.2 or as a contribution described in subparagraph *c* of that paragraph, as the case may be;

(c) where an individual is a member of the partnership at the end of the particular taxation year, the individual's share of the amount is deemed to be an amount paid by the individual in the individual's taxation year in which the particular taxation year ends, or an amount payable by the individual in respect of the individual's taxation year in which the particular taxation year ends, as dues described in subparagraph *a* or *b* of the first paragraph of section 134.1 or as a contribution described in subparagraph *c* of that paragraph, as the case may be."

(2) Subsection 1 applies to taxation years that end after 31 December 1996.

40. Section 135.2 of the said Act, amended by section 20 of chapter 3 of the statutes of 1997, is again amended, in the English text,

(1) by replacing, in the portion before paragraph *a*, the words "the business of providing personal services" by the words "a personal services business";

(2) by replacing, in paragraph *d*, the words "court costs or extra-judicial fees" by the words "judicial or extrajudicial expenses".

41. (1) Section 135.3.1 of the said Act is replaced by the following section :

"135.3.1. A taxpayer shall not deduct any amount paid or payable under Part VI.1, or under Part I.3 or VI of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)."

(2) Subsection 1 applies in respect of taxation years that end after 9 May 1996.

42. The heading of Division VII of Chapter III of Title III of Book III of Part I of the said Act is replaced, in the English text, by the following heading :

"RESERVES".

43. Section 150 of the said Act is amended, in the English text, by replacing, in the portion before paragraph *a*, the words "an allowance" by the words "a reserve" and in paragraph *c*, the word "agreements" by the word "understandings".

44. Section 151 of the said Act is amended by replacing, in the English text, the words "transport services" wherever they appear by the word "transportation", the words "supplied" and "rendered" by the word "provided", and the word "profit" by the word "income".

45. Section 152 of the said Act is amended by replacing, in the English text of the second paragraph, the word "allowances" by the word "reserves".

46. Section 166 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text, the words "as anything else" by the word "otherwise".

47. (1) Section 175.2 of the said Act, amended by section 50 of chapter 49 of the statutes of 1995, is again amended by inserting, after paragraph *d.1*, the following paragraph :

“(d.1.1) making a contribution to a retirement compensation arrangement where the contribution was deductible under section 70.2 in computing his income;”.

(2) Subsection 1 applies from the taxation year 1992.

48. (1) Section 175.4 of the said Act, amended by section 273 of chapter 39 of the statutes of 1996, is again amended

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

“**175.4.** Notwithstanding any other provision of this Act, an individual or a partnership of which the individual is a member shall not, in computing his or its income from a business for a taxation year or a fiscal period, as the case may be, deduct an amount in respect of an amount otherwise deductible for any part, in this section referred to as the “work space”, of a self-contained domestic establishment in which the individual resides except to the extent that the part is either

(a) the principal place of business of the individual or partnership, as the case may be; or”;

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

“ii. on a regular and continuous basis for meeting clients, customers or patients of the individual or partnership in respect of the business, as the case may be.”

(2) Subsection 1 applies in respect of fiscal periods that begin after 9 May 1996.

49. (1) Sections 175.5 and 175.6 of the said Act are replaced by the following sections :

“**175.5.** Where a condition set out in paragraph *a* or *b* of section 175.4 is met in respect of the work space described in that section,

(a) the amount in respect of the work space that is deductible by the individual or partnership referred to in that section in computing his or its income from the business referred to therein for a taxation year or fiscal period, as the case may be, shall not exceed 50% of the amount otherwise deductible by the individual or partnership in that respect for the year or fiscal period, as the case may be, but for this section; and

(b) the amount in respect of the work space that is deductible by the individual or partnership referred to in that section, taking into account subparagraph *a*, in computing his or its income from the business referred to therein for a taxation year or fiscal period, as the case may be, shall not exceed his or its income from the business for the year or fiscal period, as the case may be, computed without reference to that amount.

However, subparagraph *a* of the first paragraph does not apply to the portion of the amount deductible by an individual or partnership in respect of the work space described in section 175.4, except an amount paid or payable by the partnership as rent pertaining to that work space, where the portion of that amount relates to an expenditure of a current nature incurred by the individual or partnership and where the whole expenditure can reasonably be considered to relate only to that work space.

“175.6. Any amount not deductible by an individual or a partnership of which the individual is a member, by reason only of subparagraph *b* of the first paragraph of section 175.5, in computing his or its income from a business for the preceding taxation year of the individual or the preceding fiscal period of the partnership, as the case may be, is deemed to be an amount otherwise deductible that, subject to section 175.4 and subparagraph *b* of the first paragraph of section 175.5, may be deducted by the individual or partnership in computing his or its income from the business for a taxation year or fiscal period, as the case may be.”

(2) Subsection 1 applies to taxation years or fiscal periods that begin after 9 May 1996. However, where subsection 1 applies to the first taxation year of an individual that begins after 9 May 1996, section 175.6 of the said Act, enacted by subsection 1, shall be read as follows:

“175.6. Any amount not deductible by an individual by reason only of section 175.5 in computing his income from a business for the preceding taxation year is deemed to be an amount otherwise deductible that, subject to section 175.4 and subparagraph *b* of the first paragraph of section 175.5, may be deducted by the individual in computing his income from the business for a taxation year.”

50. Section 215 of the said Act is amended by replacing, in the English text, the word “lawyer” by the word “advocate”.

51. Section 230.6 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text, the word “allowance” by the word “deduction”.

52. Section 234 of the said Act, amended by section 63 of chapter 39 of the statutes of 1996, is again amended by adding, in the English text of the second paragraph, after the words “he may claim”, the words “an amount as”.

53. Section 234.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text,

(1) by replacing, in the portion before paragraph *a*, the word “reserve” by the word “amount” and by adding, after the words “taxpayer may claim”, the words “as a reserve”;

(2) by replacing, in paragraph *a*, the word “then” by the words “, immediately before the disposition”;

(3) by adding, in paragraphs *b* and *c*, before the words “a share”, the words “immediately before the disposition.”.

54. Section 255 of the said Act, amended by section 61 of chapter 49 of the statutes of 1995, by section 72 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the heading that precedes paragraph *h* by the following heading :

“BOND AND SIMILAR OBLIGATION”.

55. (1) Section 257 of the said Act, amended by section 73 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by inserting, after subparagraph ii of paragraph *l*, the following subparagraph :

“ii.1 where the taxpayer is a corporation or an individual, an amount in respect of each fiscal period of the partnership ending before the particular time, other than a fiscal period subsequent to that in which the taxpayer ceased to be a member of the partnership, equal to the taxpayer’s share of the aggregate of all amounts each of which would, but for section 134.2, be deductible in computing the partnership’s income for the fiscal period as dues described in subparagraph *a* or *b* of the first paragraph of that section or as a contribution described in subparagraph *c* of that paragraph;”.

(2) Subsection 1 applies from the taxation year 1997.

56. Section 259.3 of the said Act, enacted by section 76 of chapter 39 of the statutes of 1996 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text of the portion before paragraph *a*, by inserting, after the words “is referred to”, the words “in this section”.

57. The heading of Division V of Chapter IV of Title IV of Book III of Part I of the said Act is replaced, in the English text, by the following heading :

“WARRANTIES”.

58. (1) Section 309.1 of the said Act, replaced by section 30 of chapter 1 of the statutes of 1995 and amended by section 33 of chapter 63 of the statutes of 1995, is again amended

(1) by replacing, in subparagraph *a* of the second paragraph, the words “Unemployment Insurance Act (Revised Statutes of Canada, 1985, chapter U-1)” by the words “Employment Insurance Act (Statutes of Canada, 1996, chapter 23)”;

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

“(b.1) an amount paid in accordance with a distribution plan, approved on 4 December 1995 by a judgment of the Superior Court of Québec, in respect of the pension fund surplus of the Consolidated Retirement Plan for Employees of Singer Company of Canada Limited (Sewing Division), if the amount is paid to the individual as a member, within the meaning of section 965.0.1, of the pension fund or by reason of the death of his spouse who was a member of the pension fund;”;

(3) by adding, after the second paragraph, the following paragraph:

“For the purposes of the first paragraph in respect of an amount described in subparagraph *b.1* of the second paragraph that an individual receives in a particular taxation year, the proportion of the amount that the number of preceding taxation years that are subsequent to the taxation year 1985 is of that number of taxation years plus one is deemed to relate to one or more taxation years preceding the particular year.”

(2) Paragraph 1 of subsection 1 has effect from 30 June 1996.

(3) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 1995.

59. (1) Section 317 of the said Act is replaced by the following section:

“317. A taxpayer shall include any amount received by him as a pension benefit, including

(a) the amount of any pension, supplement or spouse’s allowance under the Old Age Security Act (Revised Statutes of Canada, 1985, chapter O-9) and the amount of any similar payment under a law of a province;

(b) the amount of any benefit under the Act respecting the Québec Pension Plan (chapter R-9) and the amount of any similar plan within the meaning of paragraph *u* of section 1 of that Act;

(c) the amount of any payment out of or under a prescribed provincial pension plan; and

(d) the amount of any payment out of or under a foreign retirement arrangement established under the laws of a country, except to the extent that the amount would not, if the taxpayer were resident in the country, be subject to the income taxation in the country.

However, the amounts described in the first paragraph do not include

(a) the portion of an amount received by the taxpayer out of or under an employee benefit plan that is required by section 47.1 to be included in computing the taxpayer's income, or would be required to be so included if section 47.2 were construed without reference to the words "a return of amounts contributed to the plan by him or a deceased employee of whom he is an heir or legal representative";

(b) the portion of an amount received out of or under a retirement compensation arrangement that is required by section 313.5, where it refers to an amount provided for in paragraph *a* or *c* of section 890.9, to be included in computing the taxpayer's income; or

(c) an amount received as a death benefit paid, after 9 May 1996, in accordance with section 168 of the Act respecting the Québec Pension Plan or a similar provision of any similar plan within the meaning of paragraph *u* of section 1 of that Act."

(2) Subsection 1 applies from the taxation year 1996.

60. (1) The said Act is amended by inserting, after section 317.1, enacted by section 78 of chapter 49 of the statutes of 1995, the following section:

“317.2. An amount referred to in subparagraph *c* of the second paragraph of section 317 shall be included in computing the income of the estate of the contributor in respect of whom it is paid, for the taxation year in which it is paid, whether or not all or part of the amount was paid to a taxpayer other than the estate.”

(2) Subsection 1 applies from the taxation year 1996.

61. Section 322 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of subsection 2, the word “subparagraph” by the word “paragraph”.

62. Section 332.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of paragraph *g*, the words “resource exploration base” by the words “oil and gas exploration base”.

63. (1) Section 336 of the said Act, amended by section 38 of chapter 1 of the statutes of 1995, by section 91 of chapter 18 of the statutes of 1995, by section 79 of chapter 49 of the statutes of 1995 and by section 36 of chapter 63 of the statutes of 1995, is again amended

(1) by replacing “Unemployment Insurance Act (Revised Statutes of Canada, 1985, chapter U-1)” and “Unemployment Insurance Act” respectively by “Employment Insurance Act (Statutes of Canada, 1996, chapter 23)” and

“Employment Insurance Act”, in paragraphs *d* and *d.1* of subsection 1 and in subparagraph iv of paragraph *e* of subsection 1 ;

(2) by replacing the word “division” by the word “partition” in the English text of subparagraph i of paragraph *e.1* of subsection 1 ;

(3) by adding, after subsection 2.1, the following subsection :

“(2.2) Where a decree, order, judgment or written agreement described in any of paragraphs *a* to *b* of subsection 1, or any variation thereof, provides for the periodic payment of an amount by a taxpayer to a person who is the taxpayer’s spouse or former spouse or, where the amount must be paid under an order made by a competent tribunal in accordance with the laws of a province, an individual of the opposite sex who is the father or mother of a child of the taxpayer, or for the benefit of such a person and such a child in the custody of the person or for both that person and that child, where a benefit is paid by the Minister of Income Security under Chapter II of the Act respecting income security (chapter S-3.1.1) because of the taxpayer’s failure to pay all or part of the amount he is required to pay, and where in a taxation year the taxpayer reimburses to the Minister of Income Security all or part of the benefit paid by the Minister, the amount reimbursed is deemed, for the purposes of the said paragraphs *a* to *b*, to be an amount paid in that year under the decree, order, judgment or agreement.”

(2) Paragraph 1 of subsection 1 has effect from 30 June 1996.

(3) Paragraph 3 of subsection 1 applies in respect of amounts paid after 9 May 1996.

64. (1) Section 346.2 of the said Act, enacted by section 106 of chapter 39 of the statutes of 1996 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in subparagraph ii of subparagraph *b* of the second paragraph and subparagraph *c* of the second paragraph, “Parts III.11, IV, IV.1, VI and VII” by “Parts III.11, IV, IV.1, VI, VI.1 and VII”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

65. Section 349 of the said Act is amended by replacing, in the English text, the word “might” by the words “would be entitled to”.

66. (1) Section 358.0.1 of the said Act, amended by section 273 of chapter 39 of the statutes of 1996, is again amended

(1) by replacing, in subparagraph ii of subparagraph *a* of the first paragraph, “752.0.13” by “752.0.13.0.1” ;

(2) by replacing, in the French text of the second paragraph, the word “émis” by the word “délivrés”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 1997.

67. Section 413 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of subparagraph ii of subparagraph *b* of the first paragraph, the words “an allowance” by the words “a reserve” and the words “such allowance” by the words “the reserve”.

68. Section 418.5 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995, is again amended by replacing, in the English text of paragraph *c*, the words “proof produced” by the words “evidence submitted”.

69. Section 418.7 of the said Act is amended by replacing, in the English text of subparagraph ii of paragraph *a*, the words “an allowance” by the words “a reserve” and the words “such allowance” by the words “the reserve”.

70. Section 418.14 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the French text, “en vertu de l’article 418.3” by “en vertu de l’article 418.13”.

71. Section 418.15 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995, by section 273 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of subparagraph ii of subparagraph *c* of the first paragraph, “or to any of sections 367” by “or under any of sections 367”.

72. Section 418.22 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the French text, by replacing paragraph *a* by the following paragraph:

“*a*) à l’égard d’un bien minier canadien ou d’un bien minier étranger acquis par suite d’une fusion à laquelle s’applique le paragraphe 4 de l’article 544 ou d’une liquidation à laquelle s’applique l’article 565.1 ; ou”.

73. Section 418.26 of the said Act, amended by section 114 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by replacing, in paragraph *b*, the word “adjoint” by the words “a joint” and, in subparagraph ii of paragraph *e*, the words “as that paragraph would read” by the words “as that subparagraph would read”.

74. (1) Section 421.2 of the said Act, amended by section 41 of chapter 1 of the statutes of 1995, by section 236 of chapter 49 of the statutes of 1995 and by section 124 of chapter 39 of the statutes of 1996, is again amended by adding, after paragraph *e*, the following:

“(f) is an amount that is the cost of a subscription to cultural events if the subscription includes participation in at least four such events, three of which must be held in Québec and be

i. concerts of a symphony orchestra or a classical music or jazz ensemble,

- ii. operas,
- iii. dance performances,
- iv. theatre performances, or
- v. a combination of events referred to in subparagraphs i to iv.

“For the purposes of subparagraph *f* of the first paragraph, the cost of a subscription to cultural events does not include an amount paid or payable in respect of meals or beverages consumed by a person.”

(2) Subsection 1 applies to fiscal periods or taxation years that begin after 9 May 1996.

75. Section 423 of the said Act is amended, in the English text, by replacing, in the first paragraph, the words “non-resident person” by the words “person not resident in Canada” and, in the second paragraph, the words “if he neither receives” by the words “if the taxpayer neither receives”.

76. (1) Section 429 of the said Act is amended, in the second paragraph,

(1) by replacing, in the portion before subparagraph *a*, the words “return of income” by the words “fiscal return”;

(2) by replacing, in subparagraph *c*, “to 752.0.18.1” by “to 752.0.18.9”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 1997.

77. Section 453 of the said Act is amended by replacing, in the English text of paragraph *c*, the words “an allowance or” by the word “a”.

78. Section 481 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the French text of the portion of paragraph *b* of subsection 1 before subparagraph *i*, the words “le ou avant la” by the words “au plus tard à la”.

79. Section 487.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by replacing the words “the business of providing personal services” by the words “a personal services business”.

80. (1) Chapter IV of Title VIII of Book III of Part I of the said Act is repealed.

(2) Subsection 1 applies from the taxation year 1996.

81. (1) Section 509.1 of the said Act, replaced by section 39 of chapter 63 of the statutes of 1995, is amended by replacing the words “subparagraph 4 of the first paragraph of section 10” by the words “paragraph 4 of section 10”.

(2) Subsection 1 applies in respect of share redemptions made after 18 October 1989.

82. The heading of Division V of Chapter IV of Title IX of Book III of Part I of the said Act is replaced by the following heading:

“DISPOSITION TO A CONTROLLED CORPORATION”.

83. (1) Section 545 of the said Act, amended by section 40 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subsection 3 by the following subsection:

“(3) The new corporation is deemed, for the purpose of computing the amounts that it is deemed to have paid to the Minister pursuant to section 1029.2, to have paid to the Minister pursuant to that section all the amounts that would otherwise have been deemed to have been paid to the Minister pursuant to that section by the predecessor corporations.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

84. (1) Section 547.3 of the said Act, enacted by section 42 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

85. Section 555.4 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of the first paragraph, the words “return of income” by the words “fiscal return”.

86. Section 558 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text of subparagraph ii of paragraph *a*, by replacing the words “each allowance or reserve” by the words “each reserve” and the words “an allowance or” by the word “a”.

87. Section 562 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by replacing, in the first paragraph, the word “allowance” by the word “reserve” and, in the second paragraph, the words “such an allowance” by the words “any reserve so claimed”.

88. (1) Section 564.5 of the said Act, replaced by section 43 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the portion before paragraph *a*, “1029.1 to” by “1029.0.1 to”.

(2) Subsection 1 applies in respect of losses sustained in a taxation year that ends after 9 May 1996.

89. (1) Sections 564.8 and 564.9 of the said Act, enacted by section 45 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, are repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

90. Section 581 of the said Act is amended by replacing, in the English text, the words “such allowance” by the words “such amount as a reserve”.

91. Section 582 of the said Act is amended by replacing, in the English text, the words “the allowance that he deducted” by the words “the amount that he deducted as a reserve”.

92. Section 596 of the said Act, amended by section 273 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of the portion before paragraph *a*, the words “the exercise or the failure to exercise any discretionary power” by the words “the exercise of, or the failure to exercise, any discretionary power”.

93. Section 605 of the said Act, amended by section 261 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of subparagraph *b* of the second paragraph, “\$5 000 or” by “the lesser of \$5,000 and”.

94. Section 647 of the said Act, amended by section 172 of chapter 39 of the statutes of 1996, is again amended by replacing, in the French text of subparagraph *b* of the third paragraph, “au sens du paragraphe *c* de l’article 890.1” by “au sens du paragraphe *c* du premier alinéa de l’article 890.1”.

95. Section 652.2 of the said Act is amended by replacing, in the French text, the words “et en être la continuation” by the words “et être la continuation de celle-ci”.

96. (1) Section 693 of the said Act, amended by section 48 of chapter 1 of the statutes of 1995 and by section 49 of chapter 63 of the statutes of 1995, is again amended by replacing the second paragraph by the following paragraph:

“However, the taxpayer shall apply the provisions of this Book in the following order: sections 737.8 and 737.17, Titles V, VI.8, V.1, VI.0.1, VI.1, VI.2, VI.3, VI.3.1, V.1.1, VI.3.2, VI.3.2.1, VI.3.2.2, VII, VI.5, VI.5.1 and VI.6 and sections 737.14 to 737.16.1, 737.21, 737.25 and 737.28.”

(2) Subsection 1 applies from the taxation year 1996.

97. (1) Section 710 of the said Act, amended by section 49 of chapter 1 of the statutes of 1995, by section 236 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in the French text, paragraph *b.1* by the following paragraph:

“*b.1*) à un centre d’archives agréé ou à une institution muséale accréditée, si l’objet du don est un bien culturel prescrit;”;

(2) by replacing paragraph *d.1* by the following paragraph:

“(*d.1*) a recognized arts organization;”.

(2) Paragraph 2 of subsection 1 has effect from 10 May 1996.

98. (1) Section 725 of the said Act, amended by section 158 of chapter 49 of the statutes of 1995, is again amended by replacing paragraph *d* by the following paragraph:

“(*d*) income from employment with an international organization, namely the United Nations or any specialized agency that is brought into relationship with the United Nations in accordance with Article 63 of the Charter of the United Nations, except, where the following conditions are met, the portion of such income that is attributable to employment duties performed in Québec by the individual:

i. the international organization, or any other international governmental organization in the service of which the individual was employed, was established in Québec at any time in the year, and

ii. the income is not covered for the year by an agreement between the international organization, or other international governmental organization, and the Government of Québec concerning the exemption from tax under this Part on such income.”

(2) Subsection 1 applies from the taxation year 1991.

99. (1) Title VI.3.1.1 of Book IV of Part I of the said Act is repealed.

(2) Subsection 1 has effect from 9 May 1996.

100. (1) Section 726.4.10 of the said Act, amended by section 54 of chapter 1 of the statutes of 1995, by section 160 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the portion of subparagraph *i* of paragraph *a* before subparagraph 2 by the following:

“i. the aggregate of the expenses, except those described in section 726.4.12, incurred in Québec by the individual after 30 June 1988 and before that time but not after 31 December 1998, and that are

(1) Canadian exploration expenses that would be described in paragraph *a*, *b.1* or *c* of section 395 if the reference in those paragraphs to “Canada”, wherever it appears except in subparagraph iv of that paragraph *b.1*, were a reference to “Québec”, described in paragraph *d* of the said section 395 if the reference therein to “expenses described in paragraphs *a* to *b.1*, *c* and *c.1*” were replaced by a reference to “expenses that would be described in paragraph *a*, *b.1* or *c*, if the reference in those paragraphs to “Canada”, wherever it appears except in subparagraph iv of paragraph *b.1*, were a reference to “Québec””, or described in paragraph *e* of the said section 395 if the reference therein to “an expense described in paragraphs *a* to *c.1*” were replaced by a reference to “any expense that would be described in paragraph *a*, *b.1* or *c*, if the reference in those paragraphs to “Canada”, wherever it appears except in subparagraph iv of paragraph *b.1*, were a reference to “Québec””, other than expenses described in paragraph *b.1* of section 395 that are incurred before 10 May 1996 or incurred after 9 May 1996 pursuant to an agreement in writing referred to in section 359.1 that was entered into before 10 May 1996 in respect of the issue of a flow-through share, or incurred, directly or indirectly, out of the proceeds of a public issue of shares or interests in a partnership in respect of which the receipt for the final prospectus or the exemption from filing a prospectus was granted before 10 May 1996, or”.

(2) Subsection 1, where it replaces subparagraph 1 of subparagraph i of paragraph *a* of section 726.4.10 of the said Act, applies in respect of expenses incurred after 9 May 1996.

101. (1) The heading of Title VI.3.2.1 of Book IV of Part I of the said Act is replaced by the following heading:

“ADDITIONAL DEDUCTION IN RESPECT OF CERTAIN SURFACE MINING EXPLORATION EXPENSES OR OIL AND GAS EXPLORATION EXPENSES INCURRED IN QUÉBEC”.

(2) Subsection 1 applies from the taxation year 1996.

102. (1) Section 726.4.17.2 of the said Act, amended by section 56 of chapter 1 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the portion before paragraph *b* by the following:

“**726.4.17.2.** In this Title, the exploration base relating to certain Québec surface mining exploration expenses or oil and gas exploration expenses of an individual, at any time, means an amount equal to the amount by which 33 1/3% of the amount by which

(*a*) the aggregate of the expenses, except those described in section 726.4.17.4, incurred in Québec by the individual before that time but not later than 31 December 1998, and that are

i. Canadian exploration expenses incurred by the individual after 31 December 1988 and that would be described in paragraph *c* of section 395 if the reference therein to “Canada”, wherever it appears, were a reference to “Québec”, described in paragraph *d* of the said section 395 if the reference therein to “expenses described in paragraphs *a* to *b.1*, *c* and *c.1*” were replaced by a reference to “expenses that would be described in paragraph *c*, if the reference therein to “Canada”, wherever it appears, were a reference to “Québec””, or described in paragraph *e* of the said section 395 if the reference therein to “an expense described in paragraphs *a* to *c.1*” were replaced by a reference to “any expense that would be described in paragraph *c*, if the reference therein to “Canada”, wherever it appears, were a reference to “Québec””, except any of those expenses that are related to removing overburden and stripping, where such work is more than is needed to obtain indicators of mineralization or for the preliminary sampling thereof, or related to drilling and trenching or digging test pits, where such work constitutes underground exploration work, or

ii. expenses referred to in subparagraph 1 or 2 of subparagraph *i* of paragraph *a* of section 726.4.10, incurred by the individual after 9 May 1996, other than expenses that would be referred to in subparagraph *i* if that subparagraph were read without reference to “, except any of those expenses that are related to removing overburden and stripping, where such work is more than is needed to obtain indicators of mineralization or for the preliminary sampling thereof, or related to drilling and trenching or digging test pits, where such work constitutes underground exploration work”; exceeds”.

(2) Subsection 1, where it replaces the portion of section 726.4.17.2 of the said Act before paragraph *a*, applies from the taxation year 1996 and, where it replaces paragraph *a* of that section, applies in respect of expenses incurred after 9 May 1996.

103. Section 726.4.17.11 of the said Act, amended by section 58 of chapter 1 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by striking out the words “the aggregate of” in subparagraphs *i* and *iii* of subparagraph *b* of the second paragraph and subparagraph *ii* of subparagraph *a* of the third paragraph.

104. Section 726.6 of the said Act, amended by section 164 of chapter 49 of the statutes of 1995, by section 179 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text, by striking out the words “the aggregate of” in subparagraphs 1 and 2 of subparagraphs *ii* and *iii* of subparagraph *a.2* of the first paragraph.

105. (1) Section 737.15 of the said Act, amended by section 273 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph *f* of the second paragraph by the following subparagraph :

“(f) he holds a certificate issued by the Minister of Finance for the taxation year referred to in the first paragraph, for which an application was submitted to the Minister of Finance by the particular corporation, or by the other corporation referred to in the third paragraph, as the case may be, on or before 28 February of the year following that taxation year; and”.

(2) Subsection 1 applies from the taxation year 1996.

106. (1) Section 737.16.1 of the said Act, enacted by section 67 of chapter 1 of the statutes of 1995 and amended by section 273 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section:

“737.16.1. An individual who holds an employment with a corporation operating an international financial centre and a certificate issued by the Minister of Finance for a particular taxation year, for which an application was submitted to the Minister of Finance by the corporation on or before 28 February of the year following the particular year, may deduct, in computing the individual’s taxable income for the particular year, an amount not exceeding the lesser of

(a) 50% of the individual’s eligible basic salary for the particular year from that employment; and

(b) the aggregate of the eligible allowances received by the individual from the corporation in the particular year.”

(2) Subsection 1 applies from the taxation year 1996.

107. (1) Section 737.19 of the said Act, amended by section 68 of chapter 1 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(a) “foreign researcher” means an individual who, at a particular time after 30 April 1987, assumes duties as an employee of an eligible employer pursuant to an employment contract entered into after 30 April 1987 with the eligible employer, with respect to whom the eligible employer obtained, not later than 30 days after the later of the date the employment contract was entered into and the date the researcher assumed his duties, a certificate from the Conseil de la science et de la technologie, that has not been revoked, attesting that the researcher is a specialist in the relevant field of pure or applied science or a related field and holds a Master’s degree recognized by a Québec university, or its equivalent, and satisfies the following conditions:”;

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

“(e) “eligible income” of a foreign researcher for a taxation year means the aggregate of all such amounts paid to him as wages in the year by his eligible employer as may reasonably be considered to be attributable to his research activity period and which constitute, for the eligible employer, research and development expenditures of a current nature, within the meaning of section 222, made in Québec;”.

(2) Subsection 1 has effect from 10 May 1996.

108. (1) The said Act is amended by inserting, after section 737.26, enacted by section 69 of chapter 1 of the statutes of 1995, the following :

“TITLE VII.6

“DEDUCTION TO SEAMEN ENGAGED IN THE INTERNATIONAL TRANSPORTATION OF FREIGHT

“CHAPTER I

“DEFINITIONS

“737.27. In this Title,

“eligible seaman” for a taxation year means a seaman in respect of whom a certificate was issued by the Minister of Transport attesting that he was, in the year, employed by an eligible shipowner for the year, that he carried out, in that year, substantially all the duties relating to his employment on a vessel engaged in international freight transportation and that he was assigned to such a vessel for a period of at least 30 consecutive days beginning in the year or in a preceding taxation year ;

“eligible shipowner” for a taxation year means a shipowner who, in the year, is a person resident in Canada, a corporation that is a foreign affiliate of such a person or a partnership whose members, resident in Canada, including a corporation controlled by persons resident in Canada, are the owners of interests in that partnership having a fair market value in excess of 10% of the fair market value of all interests in the partnership ;

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

“CHAPTER II

“DEDUCTION

“737.28. An individual resident in Québec in a taxation year who encloses, with the fiscal return he is required to file under this Part for the year, a copy of the certificate issued by the Minister of Transport attesting that he was an eligible seaman for that taxation year may deduct, in computing his taxable income for the year, the aggregate of all amounts each of which is the

amount of salaries or wages received by the individual in the year, in respect of a period determined in the certificate, from an eligible shipowner whose name appears on the certificate.”

(2) Subsection 1 applies in respect of salaries or wages received after 31 August 1996.

109. (1) Section 752.0.1 of the said Act, amended by section 71 of chapter 1 of the statutes of 1995, is again amended

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

“(h) the amount by which \$1,050 exceeds 15% of the amount by which the individual’s income for the year exceeds \$26,000, if the individual is not entitled to the deduction contemplated in paragraph *a*, if he ordinarily lives, throughout the calendar year, in a self-contained domestic establishment maintained by him and in which no person other than the individual or a person described in paragraph *b* lives during that period and if he files with the Minister a prescribed document, or, where he is unable to file such a document, the prescribed form, on or before the day on or before which he is required to file his fiscal return with the Minister under section 1000 for the year;”;

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

“(j) the amount by which \$2,200 exceeds 15% of the amount by which the individual’s income for the year exceeds \$26,000, if the individual has reached the age of 65 years before the end of the year.”

(2) Subsection 1 applies from the taxation year 1996. However, where paragraphs *h* and *j* of section 752.0.1 of the said Act, enacted by subsection 1, apply to the taxation year 1996, the reference to “15%” shall be read, in that paragraph *h*, as a reference to “the lesser of \$525 and 7.5%” and, in that paragraph *j*, as a reference to “the lesser of \$1,100 and 7.5%”.

110. (1) Section 752.0.8 of the said Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following :

“752.0.8. An individual who has attained the age of 65 years before the end of a taxation year may deduct from his tax otherwise payable for the year under this Part 20% of the lesser of the amount by which \$1,000 exceeds 15% of the amount by which his income for the year exceeds \$26,000 and the aggregate of the amounts described in the second paragraph and the amounts included by the individual in computing his income for the year”.

(2) Subsection 1 applies from the taxation year 1996. However, where the portion of the first paragraph of section 752.0.8 of the said Act before subparagraph *a*, enacted by subsection 1, applies to the taxation year 1996, the reference therein to “15%” shall be read as a reference to “the lesser of \$500 and 7.5%”.

111. (1) Section 752.0.9 of the said Act is amended by replacing the portion before paragraph *a* by the following :

“**752.0.9.** An individual who has not attained the age of 65 years before the end of a taxation year may deduct from his tax otherwise payable for the year under this Part 20% of the lesser of the amount by which \$1,000 exceeds 15% of the amount by which his income for the year exceeds \$26,000 and the aggregate of all amounts included in computing his income for the year and described”.

(2) Subsection 1 applies from the taxation year 1996. However, where the portion of section 752.0.9 of the said Act before paragraph *a*, enacted by subsection 1, applies to the taxation year 1996, the reference therein to “15%” shall be read as a reference to “the lesser of \$500 and 7.5%”.

112. (1) Section 752.0.10.2 of the said 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 this chapter in computing the individual’s tax payable under this Part for a preceding 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 the individual’s tax payable under that Act for a preceding taxation year in respect of which the individual was not subject to tax under this Part.”

(2) Subsection 1 applies from the taxation year 1993.

113. (1) Section 752.0.11 of the said Act is amended, in the second paragraph,

(1) by replacing, in the French text of the portion before subparagraph *a*, the words “Aux fins de” by the word “Dans”;

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

“(b) the letter B represents the aggregate of the medical expenses described in section 752.0.11.1 that are proven by filing a receipt therefor with the Minister, that were not included in determining a deduction for medical expenses for a preceding taxation year by the individual or by any other person and that were paid by either the individual or the individual’s legal representatives, or by a person who is his spouse during the year or on the date on which the person pays his medical expenses,

i. within any period of 12 months ending in the year, or

ii. within any period of 24 months that includes the date of the individual’s death, where the individual died in the year;

“(c) the letter C represents 3% of the aggregate of the individual’s income for the year and of the income for the year of the person who is the individual’s spouse at the end of the calendar year;”.

(2) Subsection 1 applies from the taxation year 1997.

114. Section 752.0.11.1 of the said Act, amended by section 79 of chapter 1 of the statutes of 1995 and by section 59 of chapter 63 of the statutes of 1995, is again amended

(1) in the English text, by replacing, in the portion of paragraph *m.1* before subparagraph *i*, “952.0.14” by “752.0.14”;

(2) in the French text, by replacing, in subparagraph *iii* of paragraph *m.1* and in paragraph *n*, the word “émis” by the word “délivré”.

115. (1) Section 752.0.11.3 of the said Act is replaced by the following section:

“**752.0.11.3.** For the purposes of subparagraph *b* of the second paragraph of section 752.0.11, any amount included in computing the income of an individual or of the individual’s spouse for a taxation year from an office or employment in respect of a medical expense described in section 752.0.11.1 and paid or provided by an employer at a particular time for the benefit of the individual, the individual’s spouse or a person referred to in section 752.0.12 who is a dependant of the individual is deemed to be a medical expense paid at that time by the individual or the individual’s spouse, as the case may be.”

(2) Subsection 1 applies from the taxation year 1997.

116. (1) Section 752.0.12.1 of the said Act, enacted by section 80 of chapter 1 of the statutes of 1995, is replaced by the following section:

“**752.0.12.1.** For the purposes of subparagraph *b* of the second paragraph of section 752.0.11, the expenses taken into account in determining an amount which an individual or his spouse is deemed to have paid to the Minister under section 1029.8.63 for a preceding taxation year or has deducted under section 118.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in computing his tax payable under that Act for a preceding taxation year in respect of which he was not liable to pay tax under this Part shall not be included as medical expenses of the individual for the taxation year.”

(2) Subsection 1 applies from the taxation year 1997.

117. (1) The said Act is amended by inserting, after section 752.0.13, the following section:

“752.0.13.0.1. Where, for a taxation year, an individual would, but for this section, be entitled to include, in computing the amount determined in respect of the individual for the year under subparagraph *b* of the second paragraph of section 752.0.11, medical expenses that are the same as those that would, but for this section, be included in computing the amount determined in respect of one or more other individuals for the year under that subparagraph *b*, the aggregate of the amounts that may be so included by the individuals in respect of those medical expenses shall not exceed the amount that, if only one individual were entitled to include those medical expenses in computing the amount determined in his respect for the year under that subparagraph, would be so included by the individual in respect of those medical expenses.

Where the individuals cannot agree as to what portion of the amount of medical expenses each would, but for this section, be entitled to include in computing the amount determined in his respect for the year under subparagraph *b* of the second paragraph of section 752.0.11, the Minister may determine that portion of the amount for the year.”

(2) Subsection 1 applies from the taxation year 1997.

118. (1) The said Act is amended by inserting, after section 752.0.18.1, the following :

“752.0.18.2. An individual shall not include for a taxation year, in the aggregate referred to in section 752.0.18.1,

(*a*) an amount payable by him for the year, in relation to an office or employment of the individual, as a premium referred to in paragraph *a*, or a contribution referred to in paragraph *b*, of that section, if all of the individual’s income for the year from the office or employment is not required to be included in computing his income for the year or is deductible in computing his taxable income for the year under any of sections 725, 737.16 and 737.21 ;
or

(*b*) an amount payable by him for the year, in relation to a business of the individual, as a contribution referred to in paragraph *c* of that section, if all of his income for the year from that business is not required to be included in computing his income for the year or is deductible in computing his taxable income for the year under section 725 or 737.16.

“CHAPTER I.0.3.2

**“TAX CREDITS FOR DUES TO A PROFESSIONAL ASSOCIATION
OR TO CERTAIN OTHER ENTITIES AND FOR A CONTRIBUTION
TO THE OFFICE DES PROFESSIONS DU QUÉBEC**

“752.0.18.3. An individual who, in a taxation year, performs the duties of an office or employment may deduct from his tax otherwise payable for the year under this Part an amount equal to 20% of the aggregate of all

amounts each of which is an amount paid by him in the year as any of the following dues or as the following contribution, to the extent that the individual has not been reimbursed, and is not entitled to be reimbursed, in respect thereof by the entity to which the amount is paid and that the amount may reasonably be regarded as relating to the office or employment:

(a) annual professional membership dues the payment of which was necessary to maintain a professional status recognized by statute;

(b) annual dues the payment of which was necessary to maintain membership in an association of employees within the meaning of the Labour Code (chapter C-27);

(c) annual dues that were retained by the individual's employer from the individual's remuneration in accordance with a collective agreement and paid to an association of employees within the meaning of the Labour Code of which the individual was not a member;

(d) dues to a parity or advisory committee or similar body, the payment of which was required under the Act respecting collective agreement decrees (chapter D-2) or under similar laws of a province by reason of the individual's employment for the year;

(e) annual dues to the Commission de la construction du Québec, the payment of which was required under the Act respecting labour relations, vocational training and manpower management in the construction industry (chapter R-20) by reason of the duties of an office or employment performed by the individual in the year;

(f) annual dues the payment of which was necessary to maintain membership in an association of employees recognized by the Minister as an association of employees the primary object of which is to study, safeguard and promote the economic interests of its members;

(g) annual dues the payment of which was necessary to maintain membership in an artists' association recognized by the Minister on the recommendation of the Minister of Culture and Communications;

(h) a contribution the individual was required to pay under section 10 of the Act to amend the Professional Code (1995, chapter 50) or section 196.3 of the Professional Code (chapter C-26).

“752.0.18.4. Where, in a particular taxation year, an individual pays, in relation to the duties of an office or employment performed by him in the preceding taxation year, an amount as dues referred to in any of paragraphs *b* to *g* of section 752.0.18.3, the individual is deemed, in respect of that amount, to have performed the duties of that office or employment in the particular taxation year.

The presumption established in the first paragraph does not apply in respect of an amount paid by an individual in a particular taxation year, in relation to the duties of an office or employment performed by him in the preceding taxation year, as dues referred to in paragraph *f* of section 752.0.18.3, where the individual included, in the aggregate referred to in that section for the preceding taxation year, an amount paid by him in that year, in relation to the office or employment, as dues referred to in any of paragraphs *b* to *e* of that section.

“752.0.18.5. Where, in a taxation year, an individual pays, in relation to the duties of an office or employment performed by him in the year, an amount as dues referred to in any of paragraphs *b* to *e* of section 752.0.18.3 and includes that amount in the aggregate referred to in that section for the year, he shall not include, in that aggregate, an amount paid by him in the year, in relation to that office or employment, as dues referred to in paragraph *f* of that section.

“752.0.18.6. The dues referred to in paragraphs *a*, *b* and *d* to *g* of section 752.0.18.3 do not include the portion thereof that is, in effect, levied under a retirement plan, a plan for annuities, insurance or similar benefits, or for any other purpose not directly related to the ordinary operating expenses of the entity to which they were paid or that corresponds to the Québec sales tax or the goods and services tax in respect of such dues.

“752.0.18.7. Where, in a taxation year, an individual pays, in relation to the duties of an office or employment performed by him in the year, an amount as dues or a contribution described in section 752.0.18.3, he shall not include that amount in the aggregate referred to in that section for the year if all of his income for the year from that office or employment is not required to be included in computing his income for the year or is deductible in computing his taxable income for the year under any of sections 725, 737.16 and 737.21.

“752.0.18.8. An individual may deduct from his tax otherwise payable for a taxation year under this Part an amount equal to 20% of the aggregate of all amounts each of which is an amount that would, but for section 134.1, be deductible in computing his income for the year from a business or property as dues or a contribution referred to in any of subparagraphs *a* to *c* of the first paragraph of that section and that has not been taken into account in determining an amount that was deducted under this section in computing the individual's tax payable under this Part for a preceding taxation year.

“752.0.18.9. Where an amount would, but for section 134.1, be deductible in computing an individual's income for a taxation year from a business or property as dues or a contribution referred to in any of subparagraphs *a* to *c* of the first paragraph of that section, the individual shall not include that amount in the aggregate referred to in section 752.0.18.8 for the year if all of his income for the year from that business or property is not required to be included in computing his income for the year or is deductible in computing his taxable income for the year under section 725 or 737.16.”

(2) Subsection 1 applies from the taxation year 1997.

119. (1) Section 752.0.22 of the said Act is amended by inserting, after “752.0.18.1,” “752.0.18.3, 752.0.18.8,”.

(2) Subsection 1 applies from the taxation year 1997.

120. (1) Section 752.0.24 of the said Act, amended by section 174 of chapter 49 of the statutes of 1995, is again amended by replacing subparagraphs *a* and *b* of the first paragraph by the following subparagraphs:

“(a) only the following amounts may be deducted by the individual under sections 752.0.1 to 752.0.19 in respect of any period in the year throughout which the individual was resident in Canada:

i. such of the amounts deductible under sections 752.0.10.6, 752.0.11 to 752.0.13.4, 752.0.18.1, 752.0.18.3 and 752.0.18.8 as can reasonably be considered wholly applicable to the period, computed as though that period were a whole taxation year, and

ii. such of the amounts as the individual would be allowed to deduct for the year under sections 752.0.1 to 752.0.9, 752.0.14, 752.0.15 and 752.0.19 if the deduction were computed with each particular amount in dollars referred to in any of those sections replaced by such proportion of the particular amount as the number of days in that period is of the number of days in the year, and as though that period were a whole taxation year;

“(b) the amount deductible for the year under each of sections 752.0.1 to 752.0.19 in respect of the part of the year that is not included in the period referred to in subparagraph *a* shall be computed as though such part were a whole taxation year.”

(2) Subsection 1 applies from the taxation year 1996. However, where subparagraph i of subparagraph *a* of the first paragraph of section 752.0.24 of the said Act, enacted by subsection 1, applies to the taxation year 1996, the reference therein to “, 752.0.18.1, 752.0.18.3 and 752.0.18.8” shall be read as a reference to “and 752.0.18.1”.

(3) In addition, where subparagraph ii of subparagraph *a* of the first paragraph of section 752.0.24 of the said Act, replaced by subsection 1, applies to the taxation years 1993 to 1995, the reference therein to “and 752.0.14 to 752.0.19” shall be read as a reference to “, 752.0.14 to 752.0.18 and 752.0.19”.

121. (1) Section 752.0.25 of the said Act is amended by replacing “and 752.0.19” by “and 752.0.18.3 to 752.0.19”.

(2) Subsection 1 applies from the taxation year 1997.

122. (1) Section 752.0.27 of the said Act, amended by section 206 of chapter 39 of the statutes of 1996, is replaced by the following section:

“752.0.27. Where an individual becomes a bankrupt in a calendar year, the following rules apply for the purpose of determining the amounts deductible under sections 752.0.1 to 752.0.10, 752.0.14 to 752.0.18 and 752.0.19 in computing the individual’s tax payable under this Part for each of his taxation years contemplated in section 779 that end in the calendar year:

(a) in the case of an amount deductible for such a taxation year under sections 752.0.1 to 752.0.7, otherwise than as a consequence of the application of any of paragraphs *h* to *j* of section 752.0.1, or under section 752.0.15 or 752.0.19, the individual shall deduct only the portion of that amount otherwise determined equal to the proportion that the number of days in that taxation year is of the number of days in the calendar year;

(b) in the case of an amount that is deductible for such a taxation year under sections 752.0.1 to 752.0.7, as a consequence of the application of any of paragraphs *h* to *j* of section 752.0.1, or under any of sections 752.0.8, 752.0.9 and 752.0.14, the amount shall be computed as if each particular amount in dollars that is mentioned in any of those paragraphs or sections were replaced by an amount equal to the proportion of that particular amount that the number of days in that taxation year is of the number of days in the calendar year;

(c) the amount deductible by the individual in respect of all of those taxation years, under any of those sections, shall not exceed the amount that would have been deductible under that section had the individual not become a bankrupt during the calendar year.”

(2) Subsection 1 applies from the taxation year 1996.

123. Section 752.12 of the said Act, amended by section 62 of chapter 63 of the statutes of 1995, is again amended, in the French text, by replacing the portion before paragraph *a* by the following:

“752.12. Un particulier peut déduire du montant qui représenterait son impôt autrement à payer en vertu de la présente partie pour une année d’imposition donnée si ce n’était du présent article et des articles 752.1 à 752.5 et 752.14, un montant qui n’excède pas le moindre des montants suivants:”.

124. Section 766 of the said Act is amended by replacing, in the English text, the words “year in question” by the words “year of averaging”.

125. (1) Section 766.2 of the said Act, replaced by section 84 of chapter 1 of the statutes of 1995, is amended by adding, after subparagraph *b* of the second paragraph, the following subparagraph:

“(c) where the particular amount referred to in the first paragraph includes the amount determined under the third paragraph of section 309.1, the latter amount is deemed to relate, in the same proportion, to each of the taxation years subsequent to the taxation year 1985 that precede the taxation year referred to in the first paragraph.”

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

126. Section 771.1.5.2 of the said Act, enacted by section 70 of chapter 63 of the statutes of 1995 and amended by section 37 of chapter 3 of the statutes of 1997, is again amended by striking out, in the English text of subparagraph *i* of subparagraph *b* of the second paragraph, the words “and established”.

127. (1) Section 771.1.5.3 of the said Act, enacted by section 70 of chapter 63 of the statutes of 1995 and amended by section 207 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(b) in respect of an insurance corporation, other than a corporation referred to in paragraph *a*, its paid-up capital that would, if the corporation were a bank and if paragraph *a* of section 1140 were replaced by paragraph *a* of subsection 1 of section 1136, be determined for that year in accordance with Title II of Book III of Part IV;”;

(2) by striking out, in paragraph *c*, “or a cooperative syndicate governed by the Cooperative Syndicates Act (chapter S-38)”.

(2) Paragraph 1 of subsection 1 applies to taxation years that end after 9 May 1996.

(3) Paragraph 2 of subsection 1 has effect from 1 June 1995.

128. Section 771.1.8 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text, the words “non-resident persons” by the words “persons not resident in Canada”.

129. (1) Section 772.2 of the said Act, enacted by section 82 of chapter 63 of the statutes of 1995 and amended by section 209 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph *viii* of paragraph *d* of the definition of “non-business-income tax” by the following subparagraph :

“viii. that may reasonably be regarded as relating to an amount deductible under paragraph *a* of section 725 or section 737.28 in computing the taxpayer’s taxable income for the year;”.

(2) Subsection 1 applies from the taxation year 1996.

130. (1) Section 772.7 of the said Act, enacted by section 82 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

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

“ii. the aggregate of all amounts each of which is in respect of the income referred to in subparagraph i deductible under paragraph *a* of section 725 or any of sections 726.26, 737.16, 737.25 and 737.28, or deducted under any of sections 726.7 to 726.9 and 726.20.2, by the individual for the year, on the assumption that no amount has been deducted under section 584 in computing the individual’s income for the year; is of”;

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

“ii. the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 737.16, 737.16.1, 737.21, 737.25 and 737.28, or deducted under any of sections 725.9, 726.7 to 726.9, 726.20.2 and 729, by the individual for the year or, as the case may be, for any period referred to in respect of the individual for the year in subparagraph *a* of the second paragraph of section 23.”

(2) Subsection 1 applies from the taxation year 1996.

131. (1) Section 772.9 of the said Act, enacted by section 82 of chapter 63 of the statutes of 1995, is amended by replacing subparagraph 2 of subparagraph ii of paragraph *a* by the following subparagraph:

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 737.16, 737.16.1, 737.21, 737.25 and 737.28, or deducted under any of sections 725.9, 726.7 to 726.9, 726.20.2 and 729, by the individual for the year or, as the case may be, for any period referred to in respect of the individual for the year in subparagraph *a* of the second paragraph of section 23; and”.

(2) Subsection 1 applies from the taxation year 1996.

132. (1) Section 772.11 of the said Act, enacted by section 82 of chapter 63 of the statutes of 1995, is amended

(1) by striking out, in the portion of the first paragraph before subparagraph *a*, the words “, other than a prescribed international organization,”;

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

“i. the individual’s income for the year or, if the individual’s taxable income is computed in the manner prescribed in section 23, for any period referred to in respect of the individual for the year in subparagraph *a* of the second paragraph of that section, from employment with that organization, except the portion of that income that is deductible under section 725 in computing the individual’s taxable income for the year, is of”;

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

“(2) the aggregate of all amounts each of which is an amount deductible under any of sections 725, 725.2 to 725.6, 726.26, 737.16, 737.16.1, 737.21, 737.25 and 737.28, or deducted under any of sections 725.9, 726.7 to 726.9, 726.20.2 and 729, by the individual for the year or, as the case may be, for any period referred to in respect of the individual for the year in subparagraph *a* of the second paragraph of section 23; and”;

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

“i. the individual’s income for the year from employment with the international organization, except the portion of that income that is deductible under section 725 in computing the individual’s taxable income for the year, is of”.

(2) Paragraphs 1, 2 and 4 of subsection 1 apply from the taxation year 1991.

(3) Paragraph 3 of subsection 1 applies from the taxation year 1996.

133. (1) Section 776.1.1 of the said Act, replaced by section 176 of chapter 49 of the statutes of 1995 and by section 85 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the portion before paragraph *a*, “20%” by “15%”.

(2) Subsection 1 applies in respect of shares acquired after 9 May 1996.

134. (1) Section 776.1.3 of the said Act is replaced by the following section :

“776.1.3. The amount that an individual may deduct for a taxation year under sections 776.1.1 and 776.1.2 shall not exceed

(*a*) in respect of shares acquired in the year pursuant to an obligation in a collective agreement entered into on or before 9 May 1996, \$750;

(*b*) in respect of shares other than shares referred to in paragraph *a*, the amount by which \$525 exceeds the aggregate of all amounts each of which is

an amount that the individual deducts for the year under section 776.1.1 in respect of a share referred to in paragraph *a*.”

(2) Subsection 1 applies from the taxation 1996. However, where it applies to the taxation year 1996, section 776.1.3 of the said Act, enacted by subsection 1, shall be read as follows :

“**776.1.3.** The amount that an individual may deduct for a taxation year under sections 776.1.1 and 776.1.2 shall not exceed

(*a*) in respect of shares acquired before 10 May 1996, \$1,000;

(*b*) in respect of shares acquired after 9 May 1996 pursuant to an obligation under a collective agreement entered into on or before that date, or between 9 May 1996 and 1 January 1997 pursuant to a payroll deduction purchase agreement entered into on or before 9 May 1996, 15% of the amount determined by the formula

$$\$5,000 - A;$$

(*c*) in respect of shares acquired after 9 May 1996, other than shares referred to in subparagraph *b*, 15% of the amount determined by the formula

$$\$3,500 - (A + B).$$

For the purposes of the formulas in subparagraphs *b* and *c* of the first paragraph,

(*a*) A is 500% of the aggregate of all amounts each of which is an amount that the individual deducts for the year under section 776.1.1 or 776.1.2 in respect of a share referred to in subparagraph *a* of the first paragraph ;

(*b*) B is 100/15 of the aggregate of all amounts each of which is an amount that the individual deducts for the year under section 776.1.1 in respect of a share referred to in subparagraph *b* of the first paragraph.”

135. (1) Section 776.1.4 of the said Act, replaced by section 86 of chapter 63 of the statutes of 1995, is amended

(1) by replacing, in paragraphs *a* and *a.1*, “60 years” by “55 years”;

(2) by replacing, in paragraph *c*, the words “subparagraph 4 of the first paragraph of section 10” by the words “paragraph 4 of section 10”;

(3) by adding the following paragraph :

“For the purposes of subparagraphs *a* and *a.1* of the first paragraph, an individual is deemed not to have availed himself of his right to retirement or early retirement at the end of a taxation year if

(a) the aggregate of his eligible income for the year, determined in accordance with section 45 of the Act respecting the Québec Pension Plan (chapter R-9) and his income for the year from a business exceeds the amount of Basic Exemption determined for the year in accordance with section 42 of that Act; and

(b) the individual did not, before the end of the year, reach 65 years of age or obtain the redemption of a share under section 10 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) or section 11 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi.”

(2) Paragraphs 1 and 3 of subsection 1 apply in respect of shares acquired after 9 May 1996.

(3) Paragraph 2 of subsection 1 has effect from 22 June 1989.

136. (1) Section 776.1.4.1 of the said Act, replaced by section 86 of chapter 63 of the statutes of 1995, is amended by replacing the words “subparagraph 5 of the first paragraph of section 10” by the words “paragraph 5 of section 10”.

(2) Subsection 1 has effect from 22 June 1989.

137. (1) Section 776.29 of the said Act, amended by section 86 of chapter 1 of the statutes of 1995, by section 88 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in subparagraph 5 of subparagraph i of subparagraph c of the first paragraph, “(R.R.Q., 1981, chapter S-3.1.1, r.2), made under” by “, made under Order in Council 922-89 dated 14 June 1989 as amended, pursuant to”;

(2) by inserting, after the second paragraph, the following paragraph :

“For the purposes of subparagraph 3 of subparagraph i of subparagraph c of the first paragraph, any overpayment received in a taxation year by an individual as a payment described in section 311.1 is deemed to be an amount included in computing the individual’s income for the year under this Part.”;

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

“For the purposes of subparagraph 1 of subparagraph ii of subparagraph c of the first paragraph, the following amounts are deemed to be amounts deducted in computing an individual’s income for a taxation year under this Part :

(a) any amount described in any of paragraphs a to c of section 752.0.18.1 in respect of the individual for the year;

(b) the amount which the individual is required to pay for the year as a contribution under subdivision 3 of Division I of Chapter IV of the Act respecting the Régie de l'assurance-maladie du Québec (chapter R-5);

(c) any amount reimbursed in the year by the individual as the principal of an amount the individual is deemed to have included in computing his total income for the year or a preceding year by reason of the third paragraph;

(d) any amount reimbursed in the year by the individual in accordance with section 35 of the Act respecting income security;

(e) any amount that may or would, but for sections 752.0.18.7 and 752.0.18.9, be included for the year in the aggregate referred to in section 752.0.18.3 or 752.0.18.8 in respect of the individual.”

(2) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 1996. However, where the fourth paragraph of section 776.29 of the said Act, enacted by subsection 1, applies to the taxation year 1996, that paragraph shall be read without reference to subparagraph *e* thereof.

138. (1) Section 776.36 of the said Act is replaced by the following section:

“**776.36.** The aggregate to which subparagraph ii of paragraph *a* of section 776.34 refers is equal to the total of the following amounts:

(a) \$10,000 if the individual referred to in section 776.32 has reached 65 years of age before the end of the year;

(b) \$10,000 if the spouse, during the year, of the individual referred to in section 776.32 has reached 65 years of age before the end of that year;

(c) five times the total of the amounts deducted under sections 752.0.1 to 752.0.7 for the year by the individual referred to in section 776.32 and, where applicable, by the individual's spouse during the year, except the amounts deducted for the year under section 752.0.1, as a consequence of the application of paragraphs *i* and *j* of that section, and the amounts deducted for the year by the spouse under section 752.0.1, as a consequence of the application of paragraph *a* of that section, and under the first part of the portion of section 752.0.1 before paragraph *a* thereof.

For the purposes of subparagraph *c* of the first paragraph, the amount deducted for the year under section 752.0.1, as a consequence of the application of paragraph *a* of that section, by the individual referred to in section 776.32, is deemed to be equal to the amount the individual would be entitled to deduct for the year under that paragraph, if the individual's spouse during the year had no income for that year.”

(2) Subsection 1 applies from the taxation year 1996.

139. (1) Section 776.52 of the said Act is amended

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

“776.52. For the purposes of section 776.51, the aggregate of all amounts deductible under paragraph *c* of section 70 and paragraphs *b*, *d* to *d.0.4* and *d.2* of section 339 by the individual in computing his income for the year shall be established as if it were equal to the lesser of the following amounts:”;

(2) by replacing, in the French text of paragraph *a*, the words “admissibles en déduction” by the word “déductibles”;

(3) by replacing, in the French text of subparagraph *i* of paragraph *b*, the words “admissible en déduction” by the word “déductible”.

(2) Subsection 1 applies from the taxation year 1997.

140. (1) Section 776.60 of the said Act, amended by section 91 of chapter 63 of the statutes of 1995, is again amended by replacing, in the first paragraph, “, 726.4 and 726.4.8.11” by “and 726.4”.

(2) Subsection 1 has effect from 9 May 1996.

141. (1) Section 776.65 of the said Act, amended by section 92 of chapter 63 of the statutes of 1995, is again amended, in the first and second paragraphs, by inserting, after “752.0.18.1”, “to 752.0.18.9”.

(2) Subsection 1 applies from the taxation year 1997.

142. (1) Section 779 of the said Act, replaced by section 92 of chapter 1 of the statutes of 1995, by section 178 of chapter 49 of the statutes of 1995, by section 93 of chapter 63 of the statutes of 1995 and by section 217 of chapter 39 of the statutes of 1996, is again replaced by the following section:

“779. Except for the purposes of sections 752.0.11 to 752.0.13.0.1, Title VII of Book V, section 935.4 and Divisions II.13 to II.15 of Chapter III.1 of Title III of Book IX, the taxation year of the bankrupt is deemed to commence on the date of the bankruptcy and the current taxation year is deemed to end on the day immediately before the date of the bankruptcy.”

(2) Subsection 1 applies from the taxation year 1997.

143. Section 818.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section :

“818.1. Notwithstanding any other provision of this Part, an insurance corporation, other than a life insurance corporation, that would otherwise be a private corporation is, for the purposes of section 308.6 and paragraph *b* of section 570, deemed not to be a private corporation.”

144. Section 832.5 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the English text of paragraph *b*,

(1) by replacing, in the portion before subparagraph *i*, the words “the total of” by the words “the aggregate of”;

(2) by replacing, in subparagraph *i*, the words “the aggregate of all amounts” by the words “all amounts”.

145. Section 832.6 of the said Act is amended by replacing, in the English text of the portion before paragraph *a*, the words “Act of Québec” by the words “Act of the legislature of Québec”.

146. Section 849 of the said Act is amended by replacing, in the English text of paragraph *f*, the words “in his respect” by the words “in respect of the insurer”.

147. (1) Section 850 of the said Act, amended by section 93 of chapter 1 of the statutes of 1995 and by section 187 of chapter 49 of the statutes of 1995, is again amended by adding, after subparagraph *iii* of paragraph *b*, the following subparagraph:

“iv. the tax payable under Part VI.1;”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

148. Section 851.5 of the said Act is amended, in the English text, by replacing the words “on his life insurance” by the words “on the insurer’s life insurance”.

149. Section 890.1 of the said Act, amended by section 273 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of subparagraph *l* of the second paragraph, the words “non-residents” by the words “persons not resident in Canada”.

150. (1) Section 890.13 of the said Act is amended

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

“ii. the amount by which the aggregate of all amounts, other than amounts deductible under section 70.2, contributed under the arrangement by him while it was a retirement compensation arrangement and before the end of the year, all amounts paid by him before the end of the year and at a time when he was resident in Canada to acquire an interest in the arrangement, and all amounts that were received or became receivable by him before the end of the year and at a time when he was resident in Canada as proceeds from the disposition of an interest in the arrangement, exceeds the aggregate of all

amounts each of which is an amount deducted under this paragraph or paragraph *b* in respect of the arrangement in computing his income for a preceding taxation year; and”;

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

“ii. the amount by which the aggregate of all amounts, other than amounts deductible under section 70.2, contributed under the arrangement by him while it was a retirement compensation arrangement and before the end of the year and all amounts paid by him before the end of the year at a time when he was resident in Canada to acquire an interest in the arrangement, exceeds the aggregate of all amounts each of which is an amount deducted under paragraph *a* in respect of the arrangement in computing his income for the year or a preceding taxation year and the aggregate of all amounts each of which is an amount deducted under this paragraph in respect of the arrangement in computing his income for a preceding taxation year.”

(2) Subsection 1 applies from the taxation year 1992.

151. Section 905 of the said Act is amended by replacing, in the English text, “this section 904” by “this section and section 904”.

152. (1) Section 941.1 of the said Act is amended

(1) by replacing, in the French text, the words “dans le” by the word “au”;

(2) by replacing the words “the beneficiary under which is alive, that amount is deemed not to be received by the annuitant” by the words “that amount is deemed not to be received by the beneficiary”.

(2) Subsection 1 applies from the taxation year 1996.

153. Section 944.5 of the said Act is amended by replacing, in the English text of the portion before paragraph *a*, “section 94” by “section 944”.

154. (1) The said Act is amended by inserting, after section 944.5, the following sections:

“**944.6.** Notwithstanding section 944, in no case may a plan be revoked following a payment made to a beneficiary under the plan if

(a) the payment is made after 9 May 1996 in a taxation year;

(b) the beneficiary was such on 9 May 1996; and

(c) the beneficiary uses the whole payment to make qualified expenditures relating to renovation work carried out in respect of a housing unit that is, for the year, an owner-occupied home of the beneficiary or of his spouse where

the spouse is the owner thereof at the time the work is carried out, and the housing unit is inhabited by the beneficiary at any time in the year or within 60 days after the end of that year, if, in all cases,

i. the work is carried out, after 9 May 1996 in the year or within 60 days after the end of that year, by a contractor who is the holder of an appropriate licence issued by the Régie du bâtiment du Québec and in force at the time the work is carried out, and

ii. the expenditures are paid for by the beneficiary after 9 May 1996 in the year or within 60 days after the end of that year.

The requirement relating to a contractor mentioned in subparagraph i of subparagraph c of the first paragraph does not apply if the housing unit is situated in a region not served by a road referred to in the Act respecting roads (chapter V-9).

“944.7. In section 944.6 and paragraphs *m* and *n* of section 955, expenditures, other than those provided for in section 944.8, relating to the following work are qualified expenditures relating to renovation work carried out in respect of a housing unit referred to therein:

(a) the restoration, improvement, enlargement or subdivision of the housing unit or, as the case may be, of any part of the building including the housing unit that serves for the common use of its co-owners or of its occupants;

(b) the restoration, construction or development of any element forming part of the immovable in which the housing unit is situated, that becomes an integral part of the immovable, such as work relating to the restoration or construction of a storage shed or garage or work relating to the excavation and landscaping of the immovable;

(c) the construction of permanent foundations on which to seat the building containing the housing unit;

(d) the construction or development of the elements to be used to permanently secure in place a prefabricated house or a mobile home.

In this section, the words “building” and “immovable” have the meaning assigned by section 1029.8.83.

For the purpose of determining whether a prefabricated house or a mobile home referred to in subparagraph *d* of the first paragraph is permanently secured in place, the conditions set out in the second paragraph of section 1029.8.87 apply.

“944.8. The expenditures referred to in section 944.7 are those relating to, as the case may be,

(a) work concerning works that are not of a permanent nature, or intended to protect a building, within the meaning of section 1029.8.83, forming part of an immovable, within the meaning of that section, situated in a strong current flood-risk area;

(b) the purchase or installation of household equipment or integrated pieces of furniture;

(c) the installation or repair of a swimming pool;

(d) the installation of wallpaper or other similar wall-covering, venetian blinds, curtains or any other element of interior decoration;

(e) the installation or repair of a fireplace, wood stove or any other auxiliary heating system, except, however, electric baseboard heating;

(f) the installation or repair of a generator, air conditioner or heat pump;

(g) the restoration of any part of a building destroyed by fire.”

(2) Subsection 1 has effect from 10 May 1996.

155. (1) Section 946 of the said Act is replaced by the following section:

“**946.** Where the registration of a plan is revoked after 19 April 1983, otherwise than because of section 946.1, the beneficiary is deemed to have received at that time out of or under a registered home ownership savings plan an amount equal to the fair market value of the property of the plan and section 955 applies to the amount notwithstanding paragraphs *a* to *n* of that section.”

(2) Subsection 1 has effect from 10 May 1996.

156. The said Act is amended by inserting, after section 946, the following section:

“**946.1.** A home ownership savings plan the registration of which is in force on 31 December 1999 is deemed to be revoked on 31 December 1999 and the beneficiary under that plan is deemed to receive at that time out of or under a registered home ownership savings plan an amount equal to the fair market value of the property of the plan at the time of the revocation.”

157. (1) Section 955 of the said Act is amended by adding, after paragraph *l*, the following paragraphs:

“(m) if he is a beneficiary under the plan on 9 May 1996, is a payment made to him after that date in a taxation year and used by him to make qualified expenditures relating to renovation work carried out, after 9 May

1996 in the year or within 60 days after the end of that year, in respect of a housing unit referred to in subparagraph *c* of the first paragraph of section 944.6, if,

i. except where the housing unit is situated in a region not served by a road referred to in the Act respecting roads (chapter V-9), the work is carried out by a contractor who is the holder of an appropriate licence issued by the Régie du bâtiment du Québec and in force at the time the work is carried out,

ii. the expenditures are paid for by the beneficiary after 9 May 1996 in the year or within 60 days after the end of that year, and

iii. proof of the expenditures is made by the beneficiary by attaching to his fiscal return for the year a copy of the contractor's invoice or, where the contractor is the beneficiary, a copy of the invoice of the purchases of materials used in connection with the work;

“(n) if the spouse, in this paragraph referred to as the “particular spouse”, of a beneficiary receives a single payment after 9 May 1996, in a taxation year, as a beneficiary under section 960, is a payment used by the particular spouse to make qualified expenditures relating to renovation work carried out, after 9 May 1996 in the year or within 60 days after the end of that year, in respect of a housing unit that is, for the year, an owner-occupied home of the particular spouse or of his spouse where the latter is the owner thereof at the time the work is carried out, and the housing unit is inhabited by the particular spouse at any time in the year or within 60 days after the end of that year, if

i. except where the housing unit is situated in a region not served by a road referred to in the Act respecting roads, the work is carried out by a contractor who is the holder of an appropriate licence issued by the Régie du bâtiment du Québec and in force at the time the work is carried out,

ii. the expenditures are paid for by the particular spouse after 9 May 1996 in the year or within 60 days after the end of that year, and

iii. proof of the expenditures is made by the particular spouse by attaching to his fiscal return for the year a copy of the contractor's invoice or, where the contractor is the particular spouse, a copy of the invoice of the purchases of materials used in connection with the work.”

(2) Subsection 1 has effect from 10 May 1996.

158. (1) Section 959 of the said Act is replaced by the following section:

“**959.** (1) Subject to section 960, where a beneficiary under a registered home ownership savings plan dies, the following rules apply:

(a) he is deemed to have received as a beneficiary out of or under that plan immediately before his death an amount equal to the fair market value of the property of the plan at the time of his death;

(b) for the purposes of this Part and the regulations, the plan is deemed, from the time that is immediately after the death of the beneficiary, no longer to be such a plan.”

(2) Subsection 1 applies from the taxation year 1996.

159. (1) Section 961.1 of the said Act, amended by section 97 of chapter 63 of the statutes of 1995, is again amended by replacing paragraph *b* by the following paragraph :

“(b) notwithstanding sections 952.1 and 955, no amount may be deducted in computing the beneficiary’s income in respect of any amounts used to acquire, in the particular year or any subsequent year, an owner-occupied home or new furniture or to make expenditures relating to renovation work carried out in the particular year or a subsequent year; and”.

(2) Subsection 1 has effect from 10 May 1996.

160. Section 965.7 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of paragraphs *b* and *h*, the words “or a prospectus exemption” by the words “or the exemption from filing a prospectus”.

161. Section 965.9.6 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of the portion before paragraph *a*, the words ““share” or “negotiable security”” by the words “a share or a negotiable instrument”.

162. (1) Section 965.9.8.1 of the said Act, amended by section 101 of chapter 1 of the statutes of 1995, by section 261 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing paragraph *c* by the following paragraph :

“(c) it is acquired for money consideration, before 1 January 1998, by an individual, an investment group or an investment fund as first purchaser thereof, other than a dealer acting as an intermediary or as a firm underwriter;”.

(2) Subsection 1 applies in respect of a convertible security issue for which the receipt for the final prospectus was granted after 20 December 1995.

163. (1) The said Act is amended by inserting, after section 965.10.3, the following sections:

“**965.10.3.1.** For the purposes of section 965.10, where a corporation making a public share issue, a convertible security issue or a non-guaranteed convertible security issue does not meet the requirement of paragraph *e* of that section and a winding-up as described in section 556 of a subsidiary within the meaning of that section in respect of which the corporation is, immediately

before the commencement of the winding-up, the parent, within the meaning of that section, commences or terminates within the 12-month period immediately preceding the date of the receipt for the final prospectus or of the exemption from filing a prospectus, or commences before and terminates after that period, the requirement is replaced by the following requirements :

(a) the corporation shall, on the date of the receipt for the final prospectus or of the exemption from filing a prospectus, have not fewer than five full-time employees who are not insiders within the meaning of section 89 of the Securities Act (chapter V-1.1) or persons to whom they are related ;

(b) the subsidiary shall, throughout the 12-month period immediately preceding the commencement of its winding-up, have not fewer than five full-time employees who are not insiders within the meaning of section 89 of that Act or persons to whom they are related.

“965.10.3.2. For the purposes of section 965.10.3.1, where the subsidiary referred to therein, in this section referred to as the “particular subsidiary”, does not meet the requirement of paragraph *b* of that section and a winding-up as described in section 556 of a subsidiary within the meaning of that section, in this section referred to as the “other subsidiary”, in respect of which the particular subsidiary is, immediately before the commencement of the winding-up, the parent, within the meaning of that section, commences or terminates within the 12-month period immediately preceding the commencement of the winding-up of the particular subsidiary, or commences before and terminates after that period, the requirement is replaced by the following requirements :

(a) the particular subsidiary shall, immediately before the commencement of its winding-up, have not fewer than five full-time employees who are not insiders within the meaning of section 89 of the Securities Act (chapter V-1.1) or persons to whom they are related ;

(b) the other subsidiary shall, throughout the 12-month period immediately preceding the commencement of its winding-up, have not fewer than five full-time employees who are not insiders within the meaning of section 89 of that Act or persons to whom they are related.

For the purposes of the first paragraph, where the other subsidiary does not meet the requirement of subparagraph *b* of that paragraph and a winding-up as described in section 556 of a subsidiary within the meaning of that section, in this paragraph referred to as the “underlying subsidiary”, in respect of which the other subsidiary is, immediately before the commencement of the winding-up, the parent, within the meaning of that section, commences or terminates within the 12-month period immediately preceding the commencement of the winding-up of the other subsidiary, or commences before and terminates after that period, the other subsidiary is deemed to meet the requirement where the other subsidiary meets the requirement of subparagraph *a* of the first paragraph and the underlying subsidiary meets the requirement of subparagraph *b* of that paragraph, if

(a) the other subsidiary is deemed to be the particular subsidiary in respect of the requirement of subparagraph *a* of the first paragraph; and

(b) the underlying subsidiary is deemed to be the other subsidiary in respect of the requirement of subparagraph *b* of the first paragraph.”

(2) Subsection 1 applies in respect of a public share issue, a convertible security issue and a non-guaranteed convertible security issue for which the receipt for the final prospectus or the exemption from filing a prospectus was granted after 9 May 1996.

164. (1) Section 965.11 of the said Act, amended by section 220 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by striking out, in paragraph *b*, the words “or the Cooperative Syndicates Act (chapter S-38)”.

(2) Subsection 1 has effect from 1 June 1995.

165. (1) Section 965.17 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) that generally participates in the management of the corporation in which it invests funds;”.

(2) Subsection 1 applies in respect of a public share issue, a convertible security issue and a non-guaranteed convertible security issue for which the receipt for the final prospectus or the exemption from filing a prospectus was granted after 8 September 1995.

166. (1) The said Act is amended by inserting, after section 965.17.4, the following section:

“965.17.4.1. For the purposes of paragraph *i* of paragraph *c* of section 965.17.3, where a subsidiary, in this section referred to as the “particular subsidiary”, of a qualified corporation making a public share issue, a convertible security issue or a non-guaranteed convertible security issue does not meet the requirement of paragraph *c* of section 965.17.2 and a winding-up as described in section 556 of a subsidiary within the meaning of that section, in this section referred to as the “other subsidiary”, in respect of which the particular subsidiary is, immediately before the commencement of the winding-up, the parent, within the meaning of that section, commences or terminates within the 12-month period immediately preceding the date of the receipt for the final prospectus or of the exemption from filing a prospectus, or commences before and terminates after that period, the particular subsidiary is deemed to meet that requirement if

(a) it acquired control of the other subsidiary more than 12 months before the commencement of the winding-up and, on the date of the receipt for the

final prospectus or of the exemption from filing a prospectus, has not fewer than five full-time employees who are not insiders within the meaning of section 89 of the Securities Act (chapter V-1.1) or persons to whom they are related; and

(b) the other subsidiary meets, immediately before the commencement of its winding-up, all the requirements to qualify as a growth corporation other than the requirement to make a public share issue, a convertible security issue or a non-guaranteed convertible security issue.”

(2) Subsection 1 applies in respect of a public share issue, a convertible security issue and a non-guaranteed convertible security issue for which the receipt for the final prospectus or the exemption from filing a prospectus was granted after 9 May 1996.

167. (1) The said Act is amended by inserting, after section 965.17.5, the following section :

“965.17.5.1. Where a qualified corporation making a public share issue, a convertible security issue or a non-guaranteed convertible security issue does not meet the requirement of paragraph *c* of section 965.17.2 and a winding-up as described in section 556 of a subsidiary within the meaning of that section in respect of which the corporation is, immediately before the commencement of the winding-up, the parent, within the meaning of that section, commences or terminates within the 12-month period immediately preceding the date of the receipt for the final prospectus or of the exemption from filing a prospectus, or commences before and terminates after that period, the corporation is a growth corporation if

(a) on the date of the receipt for the final prospectus or of the exemption from filing a prospectus, it meets the requirements of paragraphs *a*, *b*, *d* and *e* of section 965.17.2 and has not fewer than five full-time employees who are not insiders within the meaning of section 89 of the Securities Act (chapter V-1.1) or persons to whom they are related; and

(b) the subsidiary meets, immediately before the commencement of its winding-up, all the requirements to qualify as a growth corporation other than the requirement to make a public share issue, a convertible security issue or a non-guaranteed convertible security issue.”

(2) Subsection 1 applies in respect of a public share issue, a convertible security issue and a non-guaranteed convertible security issue for which the receipt for the final prospectus or the exemption from filing a prospectus was granted after 9 May 1996.

168. (1) Section 965.22 of the said Act is amended by replacing the first paragraph by the following paragraph :

965.22. The splitting or replacement of a qualifying share or qualifying non-guaranteed convertible security included in a stock savings plan, following a transaction occurring after 10 May 1983, without any consideration other than a share, where the transaction is provided for in section 301 in respect of a qualifying non-guaranteed convertible security or a preferred share referred to in subparagraph *a* of the first paragraph of section 965.9 or in subparagraph *c* of the first paragraph of section 965.9.1, or in any of sections 536, 541 and 544 in respect of a qualifying share, or a non-guaranteed convertible security, where the transaction is provided for in any of sections 536, 541 and 544 in respect of a qualifying non-guaranteed convertible security, a qualifying share or a qualifying non-guaranteed convertible security included in a stock savings plan, does not entail the withdrawal of the qualifying share or qualifying non-guaranteed convertible security from the plan if the requirement of paragraph *g* of section 965.7 is met in relation to each share, or to each non-guaranteed convertible security, issued in respect of the qualifying share or qualifying non-guaranteed convertible security that is split or replaced and, where the share or non-guaranteed convertible security is issued as a result of a transaction provided for in any of sections 536, 541 and 544, if, on the date of the transaction, the assets of the issuing corporation are less than \$2,500,000,000.”

(2) Subsection 1 applies in respect of shares or non-guaranteed convertible securities issued after 20 December 1995 as a result of the splitting or replacement of qualifying shares or qualifying non-guaranteed convertible securities.

169. Section 965.29 of the said Act, amended by section 47 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of paragraph *d*, the words “made by a Québec business company” by the words “made by a Québec business investment company”.

170. Section 965.34.4 of the said Act is amended by striking out, in the English text of the portion before subparagraph *a* of the first paragraph, the words “or subscribed”.

171. Section 965.36.1 of the said Act is amended by replacing, in the French text, the words “Aux fins de l’article” and “a émis un certificat” respectively by the words “Dans l’article” and “a délivré un certificat”.

172. (1) Section 982 of the said Act is amended by replacing the second paragraph by the following paragraph :

“However, such exemption does not apply if the individual is a Canadian citizen or is engaged in a business or performing the duties of an office or employment in Canada other than the individual’s position with the foreign government.”

(2) Subsection 1 applies from the taxation year 1996.

173. Section 985.2 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995, is again amended by striking out, in the English text of paragraph *c*, the words “in writing”.

174. Section 985.25 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995 and by section 111 of chapter 63 of the statutes of 1995, is again amended

(1) by replacing, in the portion before paragraph *a*, “For the purposes of section 985.24, the” by the word “The”;

(2) by replacing, in paragraph *a*, “III to VII of Chapter III.1” by “III to VI of Chapter III.1”.

175. (1) The said Act is amended by inserting, after section 985.26, the following :

“CHAPTER III.3

“ARTS ORGANIZATIONS

“DIVISION I

“DEFINITIONS

“**985.27.** In this chapter,

“disbursement quota” of a recognized arts organization for a taxation year means an amount equal to 80% of the aggregate of all amounts each of which is

(*a*) a gift for which the organization issued, in its preceding taxation year and after 9 May 1996, a receipt described in section 712 or 752.0.10.3, other than

i. a gift of capital received by the organization by way of bequest or inheritance, or

ii. a gift received by the organization subject to a trust or direction to the effect that the property given, or property substituted therefor, is to be held by the organization for a period of not less than 10 years ; or

(*b*) a gift received by the organization in a preceding taxation year and for which it issued, after 9 May 1996, a receipt described in section 712 or 752.0.10.3, to the extent that the amount of the gift is expended in the year and was excluded from the disbursement quota of the organization because of subparagraph i or ii of paragraph *a* ;

“qualified donee” means a donee who is

(a) described in any of paragraphs *a* to *b.1*, *f* and *l* of section 710;

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

(c) a recognized arts organization constituted for purposes similar to those for which the recognized arts organization making the gift was constituted;

“taxation year” means, in the case of a recognized arts organization, a fiscal period.

“DIVISION II

“DISBURSEMENT OBLIGATION

“**985.28.** A recognized arts organization is required to expend, in any taxation year, on artistic or cultural activities carried on by it or by way of gifts made by it to qualified donees, amounts that are at least equal to its disbursement quota for that year.

“**985.29.** The Minister may, on application made to the Minister in prescribed form by a recognized arts organization, specify an amount in respect of the organization for a taxation year and, for the purposes of section 985.28, that amount is deemed to be an amount expended by the organization in the year on artistic or cultural activities carried on by it.

“**985.30.** Where a recognized arts organization has expended a disbursement excess for a particular taxation year, the organization may, for the purpose of determining whether it complies with the requirement of section 985.28 for its immediately preceding taxation year or any of its five immediately subsequent taxation years, include in the computation of the amounts expended on artistic or cultural activities carried on by it or by way of gifts made by it to qualified donees, such portion of the disbursement excess for the particular year as was not so included under this section for any preceding taxation year.

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

“**985.31.** A recognized arts organization may, with the approval in writing of the Minister, accumulate property for a particular purpose, on such terms and conditions, and over such period of time, as specified in the approval.

Property accumulated by a recognized arts organization as provided in the first paragraph, including any income related thereto, is deemed to have been expended on artistic or cultural activities carried on by the recognized arts organization in the taxation year in which the property was so accumulated and not to have been expended in any other taxation year.

However, where property accumulated by a recognized arts organization as provided in the first paragraph, including any income related thereto, is not used for the particular purpose contemplated in that paragraph either before the expiration of the period referred to therein or at an earlier time at which the organization decides not to use the property for that purpose, it is deemed to be a gift for which the organization issued a receipt described in section 712 or 752.0.10.3 in its taxation year in which such period expires or such decision is made, as the case may be.

“DIVISION III

“INFORMATION RETURN

“**985.32.** Every recognized arts organization operating in Québec shall, within six months from the end of each of its taxation years, file with the Minister an information return for the year, in prescribed form and containing the prescribed information, without notice or demand therefor.

“DIVISION IV

“REVOCATION OF RECOGNITION

“**985.33.** The Minister may, in the manner described in sections 1064 and 1065, revoke the recognition of an arts organization where the organization fails to comply with the requirement of section 985.28 for a taxation year.

“**985.34.** Where a recognized arts organization has made a gift to another recognized arts organization and it may reasonably be considered that one of the main purposes of making the gift was to unduly delay the expenditure of amounts on artistic or cultural activities, the Minister may, in the manner described in sections 1064 and 1065, revoke the recognition of the arts organization that made the gift and, where it may reasonably be considered that the arts organizations acted in concert, of the other arts organization.

“**985.35.** Sections 1063 to 1065, 1069 and 1071 to 1076 of this Act and Division V of Chapter III of the Act respecting the Ministère du Revenu (chapter M-31) apply, with the necessary modifications, to a recognized arts organization as if it were a registered charity.”

(2) Subsection 1, except where it enacts section 985.30 of the said Act, applies from taxation years that begin after 9 May 1996.

(3) Subsection 1, where it enacts section 985.30 of the said Act, applies in respect of disbursement excesses made for taxation years that begin after 9 May 1996. However, where that section 985.30 applies in respect of disbursement excesses made for the first taxation year that begins after that date, the first paragraph thereof shall be read without reference to “its immediately preceding taxation year or”.

176. (1) Section 998 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995, by section 112 of chapter 63 of the statutes of 1995, by section 249 of chapter 39 of the statutes of 1996, and by section 52 of chapter 3 of the statutes of 1997, is again amended by striking out paragraph *b.1*.

(2) Subsection 1 applies in respect of taxation years of syndicates of co-owners that begin after 20 December 1995.

177. (1) Section 1000 of the said Act, amended by section 109 of chapter 1 of the statutes of 1995, by section 236 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subsection 1 by the following subsection :

“**1000.** (1) A fiscal return containing the prescribed information shall be filed with the Minister in prescribed form, without notice or demand therefor, for each taxation year in the case of a corporation, other than a corporation that was a registered charity throughout the year, and in the case of an individual, for each taxation year for which tax is payable or would be payable under this Part had the individual not deducted an amount referred to in any of sections 727 to 737 in respect of a previous taxation year, or in which the individual has a taxable capital gain or has disposed of capital property.”

(2) Subsection 1 applies from the taxation year 1996.

178. (1) The said Act is amended by inserting, after the heading of Division I of Chapter III.1 of Title III of Book IX of Part I, the following section :

“**1029.0.1.** In this division,

“non-capital loss” of a corporation for a taxation year means the aggregate, for the year, of its non-capital loss within the meaning of section 728 and its farm loss ;

“qualified private corporation” means, for a taxation year ending in a calendar year, a Canadian-controlled private corporation that meets one of the following conditions :

(a) where the corporation is not associated with any other corporation in the taxation year, the corporation’s paid-up capital determined as provided in section 771.1.5.3 for its preceding taxation year or, where the corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of the fiscal period in accordance with generally accepted accounting principles, does not exceed \$15,000,000 ;

(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 771.1.5.3 for its last taxation year ending in the preceding calendar year or, where the corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of the fiscal period in accordance with generally accepted accounting principles, does not exceed \$15,000,000.”

(2) Subsection 1 applies in respect of losses sustained in a taxation year that ends after 9 May 1996.

179. (1) Section 1029.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“**1029.1.** A qualified private corporation that is not exempt from tax and sustains a non-capital loss for a taxation year may elect, irrevocably, in the fiscal return it is required to file for the year under section 1000, not later than six months from the end of the year, that this division apply.”;

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of losses sustained in a taxation year that ends after 9 May 1996.

180. (1) Section 1029.2 of the said Act, amended by section 199 of chapter 1 of the statutes of 1995, by section 116 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by adding the following paragraph:

“For the purposes of the first paragraph, the tax payable by a corporation for a taxation year pursuant to Part IV shall not exceed the tax the corporation would have been required to pay for the year pursuant to that Part if it had deducted, in computing its paid-up capital determined under that Part for the year, each of the amounts the deduction of which was permitted by Book III of that Part in the computation for the year.”

(2) Subsection 1 applies to taxation years that end after 20 December 1995.

181. (1) The heading of Division I.1 of Chapter III.1 of Title III of Book IX of Part I of the said Act, enacted by section 118 of chapter 1 of the statutes of 1995, is replaced by the following heading:

“RULES AND DEFINITIONS APPLICABLE TO CERTAIN REFUNDABLE TAX CREDITS”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

182. (1) Section 1029.6.0.1 of the said Act, enacted by section 118 of chapter 1 of the statutes of 1995 and amended by section 118 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing paragraphs *a* and *b* by the following paragraphs:

“(a) where, in respect of a particular expenditure, an amount is, for a taxation year, deemed to have been paid to the Minister by a taxpayer under any of Divisions II to II.6.2 and II.6.5, no other amount may be deemed to have been paid to the Minister by the taxpayer, for any taxation year, under another of those divisions in respect of all or part of a cost or expenditure comprised in the particular expenditure; and

“(b) where, in respect of an amount payable by a person or partnership that is, for the person or partnership, a particular expenditure incurred within the framework of a particular contract, an amount may be deemed, for a taxation year, to have been paid to the Minister by that person or a member of that partnership, under any of Divisions II to II.6.2 and II.6.5, no other amount may be deemed to have been paid to the Minister by another taxpayer, for any taxation year, under any of those divisions in respect of all or part of a cost or expenditure incurred in performing the particular contract or any contract derived therefrom, that may reasonably be considered to relate to the particular expenditure.”

(2) Subsection 1 applies in respect of taxation years that end after 9 May 1996, except where it adds “and II.6.5” in paragraphs *a* and *b* of section 1029.6.0.1 of the said Act, in which case subsection 1 applies in respect of expenditures made after 9 May 1996.

183. (1) The said Act is amended by inserting, after section 1029.6.0.1, enacted by section 118 of chapter 1 of the statutes of 1995, the following sections:

“**1029.6.0.2.** In Divisions II, II.1, II.3, II.4, II.5.1 and II.6.2, “large corporation” means a corporation whose assets as shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were not less than \$25,000,000.

Where the corporation referred to in the first paragraph is a cooperative, the first paragraph shall be read as if the reference therein to “submitted to the shareholders” were a reference to “submitted to the members”.

“**1029.6.0.3.** For the purposes of section 1029.6.0.2, in computing the assets of a corporation at the time referred to therein, the amount representing the surplus reassessment of its property and the amount of its intangible assets shall be subtracted, to the extent that the amount indicated in their respect exceeds the expenditure made in their respect.

For the purposes of the first paragraph, where all or part of an expenditure made in respect of intangible assets consists of shares of the corporation's or cooperative's capital stock, all or the part of the expenditure, as the case may be, is deemed to be nil.

“1029.6.0.4. For the purposes of section 1029.6.0.2, the assets of a corporation that is associated in a taxation year with one or more other corporations is equal to the amount by which the aggregate of the assets of the corporation and of each corporation associated with it, as determined in accordance with sections 1029.6.0.2 and 1029.6.0.3, exceeds the aggregate of the amount of investments the corporations own in each other and the balance of accounts between the corporations.

“1029.6.0.5. For the purposes of sections 1029.6.0.2 to 1029.6.0.4, where a particular corporation referred to in any of sections 1029.7, 1029.8, 1029.8.6, 1029.8.7, 1029.8.10, 1029.8.11, 1029.8.33.6, 1029.8.33.7 and 1029.8.36.5 to 1029.8.36.7 or a corporation associated with it reduces its assets by any transaction in a taxation year and, but for that reduction, the particular corporation would be a large corporation, the assets are deemed not to have been so reduced unless the Minister decides otherwise.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

184. (1) Section 1029.7 of the said Act, amended by section 119 of chapter 1 of the statutes of 1995, by section 120 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(b) that portion of the consideration paid under the contract by the taxpayer in respect of the research and development undertaken on his behalf in the year to a person or partnership with whom or with which he was not dealing at arm's length at the time the contract was entered into and who or which has undertaken all or part of the research and development, that may reasonably be attributed to the wages paid to the employees of an establishment of that person or partnership situated in Québec or that could be so attributed if that person or partnership had such employees ;

“(c) one-half of that portion of the consideration paid under the contract by the taxpayer to a person or partnership with whom or with which he was dealing at arm's length at the time the contract was entered into, that may reasonably be attributed to such research and development undertaken on his behalf in the year by the employees of an establishment of that person or partnership situated in Québec or that could be so attributed if the person or partnership had such employees ;” ;

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

“(d) that portion of the consideration paid by the taxpayer under a particular contract, other than a contract by which he causes scientific research and experimental development to be undertaken on his behalf, for work undertaken in the year relating to such research and development, to a person or partnership with whom or with which he was not dealing at arm’s length at the time the contract was entered into and who or which has undertaken all or part of the work, that may reasonably be attributed to the wages paid to the employees of an establishment of that person or partnership situated in Québec or that could be so attributed if that person or partnership had such employees ; and

“(e) one-half of that portion of the consideration paid by the taxpayer under a particular contract, other than a contract by which he causes scientific research and experimental development to be undertaken on his behalf, for work relating to such research and development, to a person or partnership with whom or with which he was dealing at arm’s length at the time the particular contract was entered into, that may reasonably be attributed to work undertaken in the year by the employees of an establishment of that person or partnership situated in Québec or that could be so attributed if the person or partnership had such employees.”;

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

“Furthermore, for the purpose of computing the payments that a taxpayer referred to in the first paragraph, other than a taxpayer that is a large corporation within the meaning of section 1029.6.0.2, is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, as partial payment of the aggregate of his tax payable for the year pursuant to this Part and of his tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1 on the date on or before which each payment is required to be made, the amount that would be determined under the first paragraph if that paragraph applied only to the period covered by the payment.”;

(4) by adding, after the third paragraph, the following paragraphs :

“For the purposes of the first paragraph, that portion of the consideration paid by the taxpayer under a particular contract referred to in subparagraph *d* or *e* of that paragraph shall be reduced by the amount of the consideration for the disposition of property to the taxpayer, other than a property resulting from scientific research and experimental development.

In this section, “wages” means the income computed under Chapters I and II of Title II of Book III.”

(2) Paragraphs 1, 2 and 4, where it enacts the fourth paragraph of section 1029.7 of the said Act, of subsection 1 apply in respect of expenditures made after 12 May 1994 under a contract entered into after that date.

(3) Paragraph 3 of subsection 1 applies to taxation years that end after 9 May 1996.

185. (1) Section 1029.7.2 of the said Act, replaced by section 120 of chapter 1 of the statutes of 1995 and by section 122 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section :

“1029.7.2. Where the taxpayer referred to in section 1029.7 is a corporation that has been, throughout the taxation year referred to therein, a corporation that is not controlled, directly or indirectly, by one or more persons not resident in Canada and the assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$50,000,000, the rate of “20%” mentioned in that section shall be replaced by the rate determined by the following formula, to the extent that it is applied to the aggregate referred to in the first paragraph of section 1029.7 which does not exceed the expenditure limit of the corporation for the year :

$$40\% - \frac{[(A - \$25,000,000) \times 20\%]}{\$25,000,000}$$

For the purposes of the formula in the first paragraph, A is the assets of the corporation determined as provided in this division.

Where the corporation referred to in the first paragraph is a cooperative, the first paragraph shall be read as if the reference therein to “submitted to the shareholders” were a reference to “submitted to the members”.

(2) Subsection 1 applies in respect of wages paid after 9 May 1996 and in respect of a consideration paid under a contract entered into after that date for scientific research and experimental development undertaken after that date. However, where section 1029.7.2 of the said Act, enacted by subsection 1, applies to a taxation year of a corporation that includes 9 May 1996, subsection 1 applies only in respect of a corporation whose assets for its preceding taxation year or, if the corporation is in its first fiscal period, at the beginning of its first fiscal period, were greater than or equal to \$25,000,000 but less than \$50,000,000.

186. (1) Section 1029.7.3 of the said Act, replaced by section 123 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the first paragraph by the following paragraph :

“**1029.7.3.** For the purposes of section 1029.7.2, in computing the assets of a corporation at the time referred to therein, the amount representing the surplus reassessment of its property and the amount of its intangible assets shall be subtracted, to the extent that the amount indicated in their respect exceeds the expenditure made in their respect.”

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

187. (1) Section 1029.7.5 of the said Act is repealed.

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

188. (1) Section 1029.7.5.1 of the said Act, enacted by section 124 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is repealed.

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

189. (1) Section 1029.7.6 of the said Act, replaced by section 125 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section:

“**1029.7.6.** For the purposes of sections 1029.7.2 to 1029.7.4, where a corporation or a corporation associated with it reduces its assets by any transaction in a taxation year and, but for that reduction, the corporation would not be contemplated in section 1029.7.2, the assets are deemed not to have been so reduced unless the Minister decides otherwise.”

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

190. (1) Section 1029.8 of the said Act, amended by section 121 of chapter 1 of the statutes of 1995, by section 126 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(b) that portion of the consideration paid under the contract by the partnership in respect of the research and development undertaken on its behalf in that fiscal period to a person or another partnership with whom or with which a member of the partnership was not dealing at arm’s length at the time the contract was entered into and who or which has undertaken all or part of the research and development, that may reasonably be attributed to the wages paid to the employees of an establishment of that person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;

“(c) one-half of that portion of the consideration paid under the contract by the partnership to a person or another partnership with whom or with which all

the members of the partnership were dealing at arm's length at the time the contract was entered into, that may reasonably be attributed to such research and development undertaken on its behalf in that fiscal period by the employees of an establishment of that person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;" ;

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

"(d) that portion of the consideration paid by the partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work undertaken in that fiscal period relating to such research and development, to a person or another partnership with whom or with which a member of the partnership was not dealing at arm's length at the time the particular contract was entered into and who or which has undertaken all or part of the work, that may reasonably be attributed to the wages paid to the employees of an establishment of that person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees ; and

"(e) one-half of that portion of the consideration paid by the partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work relating to such research and development, to a person or another partnership with whom or with which all its members were dealing at arm's length at the time the particular contract was entered into, that may reasonably be attributed to work undertaken in that fiscal period by the employees of an establishment of that person or other partnership situated in Québec or that could be so attributed if the person or other partnership had such employees." ;

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

"Furthermore, for the purpose of computing the payments that a taxpayer referred to in the first paragraph, other than a taxpayer that is a large corporation within the meaning of section 1029.6.0.2, is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, for his taxation year in which the fiscal period of the partnership ends, the taxpayer is deemed to have paid to the Minister, as partial payment of the aggregate of his tax payable for the year pursuant to this Part and of his tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1, the amount determined for the year in his respect under the first paragraph, on the date on which the fiscal period ends where that date coincides with the date on or before which the taxpayer is required to make such a payment or, in other cases, on the first date following the end of the fiscal period which is the date on or before which he is required to make such a payment." ;

(4) by inserting, after the third paragraph, the following paragraph :

“For the purposes of the first paragraph, that portion of the consideration paid by the partnership under a particular contract referred to in subparagraph *d* or *e* of that paragraph shall be reduced by the amount of the consideration for the disposition of property to it, other than a property resulting from scientific research and experimental development.”

(2) Paragraphs 1, 2 and 4 of subsection 1 apply in respect of expenditures made after 12 May 1994 under a contract entered into after that date.

(3) Paragraph 3 of subsection 1 applies to taxation years that end after 9 May 1996.

191. (1) Section 1029.8.0.0.1 of the said Act, enacted by section 127 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section :

“1029.8.0.0.1. A taxpayer shall not be deemed to have paid to the Minister an amount as partial payment of his tax payable for a taxation year under section 1029.7 or 1029.8 in respect of an expenditure that is a portion of a consideration referred to in subparagraph *c* or *e* of the first paragraph of that section, that the taxpayer has paid or the partnership of which he is a member has paid to a person or to a particular partnership under a contract for the purpose of causing to be undertaken, on his behalf, scientific research and experimental development referred to in that subparagraph *c*, or work relating to scientific research and experimental development referred to in that subparagraph *e*, as the case may be, unless he files with the Minister, on or before the day on or before which he is required to file his fiscal return for the year under section 1000 or would be so required to file such a return if tax were payable by the taxpayer for the year under this Part, a statement in prescribed form containing the following information :

(*a*) the name of the person or of the particular partnership with whom or with which the taxpayer or the partnership of which the taxpayer is a member has entered into the contract, the registration number assigned to that person or that particular partnership in accordance with the Act respecting the Québec sales tax (chapter T-0.1) and, where the person is an individual, his social insurance number ;

(*b*) the total amount of the consideration provided for in the contract in respect of the scientific research and experimental development or the work relating to scientific research and experimental development, as the case may be ; and

(*c*) the amount of the portion of the consideration provided for in the contract that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, in

respect of the scientific research and experimental development or the work relating to scientific research and experimental development, as the case may be.”

(2) Subsection 1 applies in respect of expenditures made after 12 May 1994 as part of a contract entered into after that date.

192. (1) Section 1029.8.1 of the said Act, amended by section 122 of chapter 1 of the statutes of 1995, by section 236 of chapter 49 of the statutes of 1995, by section 129 of chapter 63 of the statutes of 1995 and by section 56 of chapter 3 of the statutes of 1997, is again amended

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

“(a.2) “eligible research contract” means a contract entered into after 2 May 1991 between a taxpayer or partnership carrying on a business in Canada or a prescribed linkage agency acting for the benefit of such a taxpayer or partnership in accordance with an agreement entered into between the taxpayer or partnership, as the case may be, and the linkage agency, and an eligible public research centre, or after 14 May 1992 between such a taxpayer, partnership or agency and an eligible research consortium under which the eligible public research centre or the eligible research consortium, as the case may be, binds itself to undertake directly, in Québec, within the scope of its activities, scientific research and experimental development related to a business of the taxpayer or partnership, as the case may be, where the latter are entitled to exploit the results thereof;

“(b) “university research contract” means a contract entered into after 30 April 1987 between a taxpayer or partnership carrying on a business in Canada or a prescribed linkage agency acting for the benefit of such a taxpayer or partnership in accordance with an agreement entered into between the taxpayer or partnership, as the case may be, and the linkage agency, and an eligible university entity under which the eligible university entity binds itself to undertake directly, in Québec, scientific research and experimental development related to a business of the taxpayer or partnership where the latter are entitled to exploit the results thereof;”;

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

“(f.1) “university foundation” means a non-profit corporation constituted for the purpose of promoting and providing financial support to the teaching and research activities of an eligible university entity;”.

(2) Paragraph 1 of subsection 1, except where it strikes out “or of the other partnership or the taxpayer contemplated in the seventh paragraph of section 1029.8.7.2 with which the partnership is in relation,” in paragraph *b* of section 1029.8.1 of the said Act, applies

(1) in respect of scientific research and experimental development undertaken after 9 May 1996 under a contract entered into after that date;

(2) in respect of scientific research and experimental development undertaken after 9 May 1996 under an eligible research contract or university research contract entered into on or before 9 May 1996 if an application for an advance ruling has been filed with the Ministère du Revenu in respect of the contract between 9 May 1996 and 1 September 1996.

(3) Paragraph 1 of subsection 1, where it strikes out “or of the other partnership or the taxpayer contemplated in the seventh paragraph of section 1029.8.7.2 with which the partnership is in relation,” in paragraph *b* of section 1029.8.1 of the said Act, has effect from 15 December 1995.

(4) Paragraph 2 of subsection 1 has effect from 10 May 1996.

193. (1) The said Act is amended by inserting, after section 1029.8.1.1, the following section :

“**1029.8.1.1.1.** For the purposes of paragraph *b* of section 1029.8.1, where a corporation, in this section referred to as a “predecessor corporation”, has been amalgamated and, before the amalgamation, the corporation was an eligible university entity by reason of its being a prescribed university hospital medical research centre and had entered into a university research contract, the new corporation resulting from the amalgamation is, in respect of the contract, deemed to be the same corporation as, and a continuation of, the predecessor corporation, if

(a) the new corporation is an eligible university entity by reason of its being a prescribed university hospital medical research centre; and

(b) the new corporation carries on the performance of the contract.”

(2) Subsection 1 has effect from 1 July 1995.

194. (1) The said Act is amended by inserting, after section 1029.8.1.2, the following section :

“**1029.8.1.3.** Subject to Division II.4, for the purposes of the first paragraph of section 1029.8.6, where a corporation has paid an amount that is a qualified expenditure under a university research contract and a university foundation has become surety for that corporation in respect of the payment of amounts used for the financing of scientific research and experimental development provided for in the contract, all or any part of the amount of the qualified expenditure that may reasonably be attributed to expenditures for the scientific research and experimental development that an eligible university entity has made in Québec under that contract in a taxation year of the corporation is deemed not to exceed \$1,500,000.

Notwithstanding the first paragraph and section 1029.8.1.2, where the amount of a qualified expenditure would, but for this paragraph, be reduced because of the first paragraph and of that section 1029.8.1.2, all or any part of

the amount of a qualified expenditure paid by a corporation under a university research contract that may reasonably be attributed to expenditures for scientific research and experimental development that an eligible university entity has made in Québec under that contract in a taxation year of the corporation, is deemed, subject to Division II.4 and for the purposes of subparagraph *a* of the first paragraph of section 1029.8.6, not to exceed the proportion of \$1,500,000 that the amount of the qualified expenditure determined in accordance with section 1029.8.1.2 for the year is of the amount that the amount of that qualified expenditure would be for the year but for that section 1029.8.1.2 and this section.”

(2) Subsection 1 applies in respect of university research contracts entered into after 9 May 1996.

195. (1) Section 1029.8.9 of the said Act, amended by section 135 of chapter 63 of the statutes of 1995, is again amended by adding, after the fifth paragraph, the following paragraph :

“Where an amount is related to a university research contract entered into between a corporation and an eligible university entity and a university foundation has become surety for the corporation in respect of the payment of that amount, the application for an advance ruling relating to that contract shall demonstrate that the university foundation has so become surety for the corporation and that the requirements set out in subparagraphs *a* to *d* of the sixth paragraph of section 1029.8.19.2 in respect of the suretyship are met.”

(2) Subsection 1 applies in respect of university research contracts entered into after 9 May 1996.

196. (1) Section 1029.8.9.0.2 of the said Act, amended by section 130 of chapter 1 of the statutes of 1995 and by section 58 of chapter 3 of the statutes of 1997, is again amended

(1) by adding the following definition :

““tax-exempt taxpayer” has the meaning assigned by paragraph *b.1* of section 1029.8.1.”;

(2) by replacing the definition of “eligible fee” by the following definition :

““eligible fee” of a taxpayer or partnership, for a taxation year or fiscal period, as the case may be, relating to an eligible research consortium, means the amount obtained by multiplying the lesser of the following amounts by such proportion as the fee or dues paid by the taxpayer or partnership, as the case may be, to the eligible research consortium, during the fiscal period of the latter ending in the taxation year of the taxpayer or the fiscal period of the partnership, to be a member thereof is of the aggregate of the fees or dues paid, during that fiscal period of the eligible research consortium, by all the taxpayers and all the partnerships that are members thereof :

(a) the amount of the expenditures made by the eligible research consortium in respect of scientific research and experimental development related to a business of the taxpayer or partnership undertaken by the eligible research consortium in Québec, after 14 May 1992 in its fiscal period ending in the taxation year of the taxpayer or fiscal period of the partnership; and

(b) the amount by which the aggregate of the fees or dues paid by all the taxpayers and all the partnerships that are members of the eligible research consortium, during its fiscal period ending in the taxation year of the taxpayer or fiscal period of the partnership, exceeds the portion of those fees or dues that may reasonably be considered to be used by the eligible research consortium to make expenditures, other than expenditures for scientific research and experimental development related to a business of the taxpayer or of the partnership, in its fiscal period;”;

(3) by striking out the definition of “tax-exempt corporation”.

(2) Subsection 1 applies in respect of fees or dues paid to an eligible research consortium after 20 December 1995.

197. (1) Section 1029.8.9.0.3 of the said Act, replaced by section 136 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section:

“**1029.8.9.0.3.** A taxpayer, other than a tax-exempt taxpayer, who carries on a business in Canada is deemed to have paid to the Minister on the day referred to in section 1026.0.1, in the case of an individual, or in subparagraph *b* of the first paragraph of section 1027, in the case of a corporation, in respect of a taxation year, or that would be referred to in that section 1026.0.1 or in that subparagraph *b*, as the case may be, if the taxpayer had a remainder of tax payable for that taxation year, as partial payment of his tax payable for that year pursuant to this Part, an amount equal to 40% of the aggregate of all amounts each of which is his eligible fee for the year relating to an eligible research consortium.”

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

198. (1) The said Act is amended by inserting, after section 1029.8.9.0.3, the following section:

“**1029.8.9.0.4.** Where a partnership carries on a business in Canada, every taxpayer, other than a tax-exempt taxpayer, who is a member of the partnership at the end of a fiscal period of the partnership in which the partnership paid an eligible fee to an eligible research consortium, and who is not a specified member of the partnership in that fiscal period, is deemed to have paid to the Minister on the day referred to in section 1026.0.1, in the case of an individual, or in subparagraph *b* of the first paragraph of section 1027, in the case of a corporation, in respect of his taxation year in which the fiscal

period ends, or that would be referred to in that section 1026.0.1 or in that subparagraph *b*, as the case may be, if the taxpayer had a remainder of tax payable for that taxation year, as partial payment of his tax payable for that year pursuant to this Part, an amount equal to 40% of his share of the aggregate of all amounts each of which is, for the fiscal period of the partnership ending in the year, an eligible fee of the partnership relating to an eligible research consortium.

For the purposes of the first paragraph, the taxpayer's share of an amount is equal to such proportion of that amount as the share of the taxpayer of the income or loss of the partnership for the fiscal period of the partnership ending in the taxpayer's taxation year is of the income or loss of the partnership for that fiscal period, on the assumption that, if the income and loss of the partnership for that fiscal period are nil, the partnership's income for that fiscal period is equal to \$1,000,000."

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

199. (1) Section 1029.8.10 of the said Act, replaced by section 133 of chapter 1 of the statutes of 1995 and amended by section 138 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section:

"1029.8.10. A taxpayer, other than a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1, who carries on a business in Canada and has made an agreement with a person or partnership whereby the parties agree to undertake or to cause to be undertaken on their behalf in Québec, as part of a contract, scientific research and experimental development and in respect of which either the Minister of Industry, Trade, Science and Technology has issued a validation certificate recognizing that the scientific research and experimental development will be undertaken as part of a pre-competitive research project, or, on or before 31 December 1996, the scientific research and experimental development referred to therein was the subject of a decision of the Cabinet recognizing that such scientific research and experimental development will be undertaken as part of a catalyst project or an environmental technology innovation project, is deemed, subject to the second paragraph, to have paid to the Minister, on the day referred to in section 1026.0.1 in the case of an individual, or in subparagraph *b* of the first paragraph of section 1027 in the case of a corporation, in respect of his taxation year during which the scientific research and experimental development related to a business of the taxpayer was undertaken, or that would be referred to in that section 1026.0.1 or that subparagraph *b*, as the case may be, if the taxpayer had a remainder of tax payable for that taxation year, as partial payment of his tax payable for that year pursuant to this Part, an amount equal to 40% of the aggregate of

(*a*) the total or part of a qualified expenditure the taxpayer has made in Québec that can reasonably be attributed to such scientific research and experimental development directly undertaken by the taxpayer in that year;

(b) the total or part of a qualified expenditure the taxpayer has made in Québec under a contract entered into with a person or partnership with whom or with which the taxpayer was not dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such scientific research and experimental development directly undertaken by the person or partnership on behalf of the taxpayer in that year; and

(c) 80% of an amount representing the total or part of a qualified expenditure the taxpayer has made in Québec under a contract entered into with a person or partnership with whom or with which the taxpayer was dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such scientific research and experimental development directly undertaken by the person or partnership on behalf of the taxpayer in that year.

Furthermore, for the purpose of computing the payments that a taxpayer referred to in the first paragraph, other than a taxpayer that is a large corporation within the meaning of section 1029.6.0.2, is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, as partial payment of the aggregate of his tax payable for the year pursuant to this Part and of his tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, the amount which would be determined under the first paragraph if it applied only to the period covered by the payment.”

(2) Subsection 1 applies in respect of scientific research and experimental development undertaken after 9 May 1996. However, where it replaces the second paragraph of section 1029.8.10 of the said Act, it applies to taxation years that end after 9 May 1996.

200. (1) Section 1029.8.11 of the said Act, replaced by section 134 of chapter 1 of the statutes of 1995 and amended by section 139 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section :

“1029.8.11. Where a particular partnership carries on a business in Canada and has made an agreement with a person or partnership whereby the parties agree to undertake or to cause to be undertaken on their behalf in Québec, as part of a contract, scientific research and experimental development and in respect of which either the Minister of Industry, Trade, Science and Technology has issued a validation certificate recognizing that the scientific research and experimental development will be undertaken as part of a pre-competitive research project, or, on or before 31 December 1996, the scientific research and experimental development referred to therein was the subject of a decision of the Cabinet recognizing that such scientific research and experimental development will be undertaken as part of a catalyst project or an environmental technology innovation project, every taxpayer who is a member of the particular partnership at the end of a fiscal period of the

particular partnership in which the scientific research and experimental development related to a business of the particular partnership was undertaken and who is not a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1, or a specified member of the particular partnership in that fiscal period, is deemed, subject to the second paragraph, to have paid to the Minister, on the day referred to in section 1026.0.1 in the case of an individual, or in subparagraph *b* of the first paragraph of section 1027 in the case of a corporation, in respect of his taxation year in which the fiscal period ends, or that would be referred to in that section 1026.0.1 or that subparagraph *b*, as the case may be, if the taxpayer had a remainder of tax payable for that taxation year, as partial payment of his tax payable for that year pursuant to this Part, 40% of his share of an amount equal to the aggregate of

(a) the total or part of a qualified expenditure the particular partnership has made in Québec that can reasonably be attributed to such scientific research and experimental development directly undertaken by the particular partnership in that fiscal period;

(b) the total or part of a qualified expenditure the particular partnership has made in Québec under a contract entered into with a person or another partnership with whom or with which a member of the particular partnership was not dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such scientific research and experimental development directly undertaken by the person or the other partnership on behalf of the particular partnership in that fiscal period; and

(c) 80% of an amount representing the total or part of a qualified expenditure the particular partnership has made in Québec under a contract entered into with a person or another partnership with whom or with which all the members of the particular partnership were dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such scientific research and experimental development directly undertaken by the person or the other partnership on behalf of the particular partnership in that fiscal period.

Furthermore, for the purpose of computing the payments that a taxpayer referred to in the first paragraph, other than a taxpayer that is a large corporation within the meaning of section 1029.6.0.2, is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, for his taxation year in which the fiscal period of the particular partnership ends, the taxpayer is deemed to have paid to the Minister, as partial payment of the aggregate of his tax payable for the year pursuant to this Part and of his tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1, the amount determined for the year in his respect under the first paragraph, on the date on which the fiscal period ends where that date coincides with the date on or before which the taxpayer is required to make such a payment or, in other cases, on the first date following the end of the fiscal period which is the date on or before which he is required to make such a payment.

For the purposes of the first paragraph, the taxpayer's share of an amount is equal to such proportion of that amount as the share of the taxpayer of the income or loss of the particular partnership for the fiscal period of that partnership ending in the taxpayer's taxation year is of the income or loss of that partnership for that fiscal period, on the assumption that, if the income and loss of the particular partnership for that fiscal period are nil, the particular partnership's income for that fiscal period is equal to \$1,000,000.

For the purposes of subparagraphs *a* to *c* of the first paragraph, a qualified expenditure referred to therein does not include an expenditure made after 31 December 1998 in respect of scientific research and experimental development undertaken as part of a catalyst project or an environmental technology innovation project."

(2) Subsection 1 applies in respect of scientific research and experimental development undertaken after 9 May 1996. However, where it replaces the second paragraph of section 1029.8.11 of the said Act, it applies to taxation years that end after 9 May 1996.

201. (1) Section 1029.8.17.1 of the said Act, enacted by section 142 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

202. (1) Section 1029.8.18 of the said Act, replaced by section 138 of chapter 1 of the statutes of 1995 and by section 143 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

(1) by inserting, in the portion before subparagraph *a*, after "1029.8.9.0.3," "1029.8.9.0.4,";

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

"(b) the share of a taxpayer who is a member of a partnership of the amount of the wages or of part of a consideration paid, of a qualified expenditure, except a prescribed proxy amount, or of an eligible fee, referred to in any of sections 1029.8, 1029.8.7, 1029.8.9.0.4 and 1029.8.11, as the case may be, shall be reduced, where applicable,

i. by his share of the amount of any contract payment, government assistance or non-government assistance, attributable to the wages or to part of the consideration paid, to the qualified expenditure or to the eligible fee, as the case may be, that the partnership has received, is entitled to receive or may reasonably expect to receive at the time of the filing of the taxpayer's fiscal return for that taxation year in which the fiscal period of the partnership in which the wages, part of the consideration or the eligible fee were paid or the qualified expenditure was made, as the case may be, ends, or

ii. by the amount of any government assistance or non-government assistance, attributable to the wages or part of the consideration paid, to the qualified expenditure or to the eligible fee, as the case may be, that the taxpayer has received, is entitled to receive or may reasonably expect to receive at the time of the filing of his fiscal return for that taxation year in which the fiscal period of the partnership in which the wages, part of the consideration or the eligible fee were paid or the qualified expenditure was made, as the case may be, ends.”

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

203. (1) Section 1029.8.18.1 of the said Act, replaced by section 145 of chapter 63 of the statutes of 1995, is amended

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

“**1029.8.18.1.** Where, at any particular time, a taxpayer pays a particular amount that may reasonably be considered to be the repayment of government assistance or non-government assistance that reduced, by reason of subparagraph *a* of the first paragraph of section 1029.8.18 or 1029.8.18.0.1, a particular expenditure or a particular eligible fee for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by the taxpayer under Divisions II to II.3, the following rules apply :

(a) the particular amount is deemed, for the purposes of those divisions,

i. where the assistance reduced a particular expenditure, to be an expenditure for scientific research and experimental development made at the particular time by the taxpayer on the same basis as was the particular expenditure, and

ii. where the assistance reduced a particular eligible fee, to be an eligible fee for the taxation year in which the taxpayer paid the particular amount ;” ;

(2) by replacing subparagraphs i and ii of paragraph *b* by the following subparagraphs :

“i. to be equal to the amount that, were it not for the assistance, would have been deemed to have been paid to the Minister by the taxpayer under those divisions in respect of that portion of the particular expenditure or particular eligible fee corresponding to the assistance so repaid, and

“ii. to have been paid to the Minister under the same provisions of those divisions as the provisions under which, but for the assistance, the taxpayer would have been deemed to have paid an amount to the Minister in respect of that portion of the particular expenditure or particular eligible fee corresponding to the assistance so repaid.”

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

204. (1) Section 1029.8.18.1.1 of the said Act, enacted by section 146 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“1029.8.18.1.1. Where, at any particular time, a partnership pays a particular amount that may reasonably be considered to be the repayment of government assistance or non-government assistance that reduced, by reason of subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.18 or 1029.8.18.0.1, the share of a taxpayer who is a member of the partnership of a particular expenditure made by the partnership or of a particular eligible fee of the partnership, for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by the taxpayer under Divisions II to II.3, the following rules apply :

(a) the particular amount is deemed, for the purposes of those divisions,

i. where the assistance reduced a particular expenditure, to be an expenditure for scientific research and experimental development made at the particular time by the partnership on the same basis as was the particular expenditure, and

ii. where the assistance reduced a particular eligible fee, to be an eligible fee for the fiscal period of the partnership in which it paid the particular amount;”;

(2) by replacing subparagraphs *i* and *ii* of paragraph *b* by the following subparagraphs :

“i. to be equal to the amount that, were it not for the assistance and if his share of the income or loss of the partnership were the same as the share determined at the end of the fiscal period of the partnership which includes the particular time, on the assumption that, if the income and loss of the partnership for that fiscal period are nil, the partnership’s income for that fiscal period is equal to \$1,000,000, would have been deemed to have been paid to the Minister by the taxpayer under those divisions in respect of that portion of the particular expenditure or particular eligible fee corresponding to the assistance so repaid, and

“ii. to have been paid to the Minister under the same provisions of those divisions as the provisions under which, but for the assistance, the taxpayer would have been deemed to have paid an amount to the Minister in respect of that portion of the particular expenditure or particular eligible fee corresponding to the assistance so repaid.”

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

205. (1) Section 1029.8.18.1.2 of the said Act, enacted by section 146 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“1029.8.18.1.2. Where, at any particular time, a taxpayer who is a member of a partnership pays a particular amount that may reasonably be considered to be the repayment of government assistance or non-government assistance that reduced, by reason of subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.18 or 1029.8.18.0.1, the taxpayer’s share of a particular expenditure made by the partnership or of a particular eligible fee of the partnership, for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by the taxpayer under Divisions II to II.3, the following rules apply :

(a) the particular amount is deemed, for the purposes of those divisions,

i. where the assistance reduced the taxpayer’s share of a particular expenditure, to be the taxpayer’s share of an expenditure for scientific research and experimental development made at the particular time by the partnership on the same basis as was the particular expenditure, and

ii. where the assistance reduced the taxpayer’s share of a particular eligible fee, to be the taxpayer’s share of an eligible fee of the partnership for the fiscal period of the partnership ending in the taxation year of the taxpayer in which he pays the particular amount;”;

(2) by replacing subparagraphs i and ii of paragraph *b* by the following subparagraphs :

“i. to be equal to the amount that, were it not for the assistance, would have been deemed to have been paid to the Minister by the taxpayer under those divisions in respect of that portion of the taxpayer’s share of the particular expenditure or particular eligible fee corresponding to the assistance so repaid, and

“ii. to have been paid to the Minister under the same provisions of those divisions as those under which, but for the assistance, the taxpayer would have been deemed to have paid an amount to the Minister in respect of that portion of the taxpayer’s share of the particular expenditure or particular eligible fee corresponding to the assistance so repaid.”

(2) Subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995. In addition, where subparagraphs i and ii of paragraph *b* of section 1029.8.18.1.2 of the said Act, replaced by subsection 1, apply to a taxation year that ends after 9 May 1995 and otherwise than in respect of eligible fees paid to an eligible research consortium after 20 December 1995, the English text thereof shall be read as follows :

“i. to be equal to the amount that, were it not for the assistance, would have been deemed to have been paid to the Minister by the taxpayer under those divisions in respect of that portion of the taxpayer’s share of the particular expenditure corresponding to the assistance so repaid, and

“ii. to have been paid to the Minister under the same provisions of those divisions as those under which, but for the assistance, the taxpayer would have been deemed to have paid an amount to the Minister in respect of that portion of the taxpayer’s share of the particular expenditure corresponding to the assistance so repaid.”

206. (1) Section 1029.8.19.2 of the said Act, amended by section 142 of chapter 1 of the statutes of 1995, by section 148 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“**1029.8.19.2.** Notwithstanding sections 1029.7 and 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* of the first paragraph of each of those sections, and notwithstanding sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11, where, in respect of a scientific research and experimental development project referred to in any of those sections or in respect of the carrying out of such a project, a taxpayer, a partnership, a member of that partnership, a person not dealing at arm’s length with the taxpayer, the partnership or any member thereof, or any other person designated by the Minister, has obtained, is entitled to obtain or may reasonably expect to obtain a contribution or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain a contribution, from a person or a partnership who or that is a party to the project, from a person or a partnership not dealing at arm’s length with that person or partnership, or from any other person or partnership designated by the Minister, a taxpayer or any taxpayer who is a member of a partnership, as the case may be, who, but for this section, would have been deemed to have paid to the Minister an amount under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* of the first paragraph of that section, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11 in respect of the project, is deemed not to be deemed to have paid to the Minister an amount under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* of the first paragraph of that section, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11, in respect of the project.”;

(2) by inserting, after the first paragraph, the following paragraph:

“Notwithstanding sections 1029.7 and 1029.8, in respect of the portion of a consideration referred to in subparagraph *e* of the first paragraph of each of those sections, where, in respect of a contract for work relating to scientific research and experimental development referred to in those sections or in respect of the performance of the contract, a taxpayer, a partnership, a member

of that partnership, a person not dealing at arm's length with the taxpayer, the partnership or any member thereof, or any other person designated by the Minister, has obtained, is entitled to obtain or may reasonably expect to obtain a contribution or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain a contribution, from a person or a partnership who or that is a party to the work, from a person or a partnership not dealing at arm's length with that person or partnership, or from any other person or partnership designated by the Minister, a taxpayer or any taxpayer who is a member of a partnership, as the case may be, who, but for this section, would have been deemed to have paid to the Minister an amount under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *e* of the first paragraph of that section, in respect of that contract, is deemed not to be deemed to have paid to the Minister an amount under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *e* of the first paragraph of that section, in respect of that contract.”;

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

“A contribution to which the first paragraph refers in respect of a scientific research and experimental development project or in respect of the carrying out of such a project, or to which the second paragraph refers in respect of a contract for work relating to scientific research and experimental development or in respect of the performance of the contract, means

(a) a contribution whether in the form of a payment in currency, a transfer of ownership of a property, an assignment of the use or of a right to use a property or in any other form or manner, other than a property resulting from scientific research and experimental development undertaken as part of the project or arising from the work relating to scientific research and experimental development carried out as part of the contract, as the case may be ;

(b) a former, present or future right in the proceeds of disposition of part or all of the intellectual property arising from the project or contract, as the case may be ;”;

(4) by replacing, wherever they appear in the portion of the third paragraph before subparagraph *a*, the words “second paragraph” by the words “third paragraph” ;

(5) by replacing, in the fourth paragraph, the words “third paragraph” by the words “fourth paragraph” ;

(6) by adding, after the fourth paragraph, the following paragraphs :

“Notwithstanding the third paragraph, where a university foundation, within the meaning of paragraph *f.1* of section 1029.8.1, becomes surety for a corporation in respect of the payment of amounts used for the financing of

scientific research and experimental development provided for in a university research contract, within the meaning of paragraph *b* of section 1029.8.1, entered into before 1 January 1998 between the corporation and an eligible university entity, within the meaning of paragraph *f* of section 1029.8.1, the amount furnished under the suretyship is deemed not to be a contribution referred to in that third paragraph if

(a) the corporation carries on an eligible business throughout its taxation year in which the contract is entered into and the three preceding taxation years;

(b) the assets of the corporation shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its taxation year that precedes the taxation year in which the contract is entered into, were less than \$5,000,000;

(c) the amount under the suretyship does not exceed 40% of the portion of the cost of the contract that is attributable to such scientific research and experimental development; and

(d) the term of the contract does not exceed 36 months and its cost does not exceed the proportion of \$4,500,000 that the number of months in the term of the contract is of 36.

For the purposes of subparagraph *b* of the sixth paragraph, sections 1029.7.3 to 1029.7.6 apply, with the necessary modifications, for the purpose of determining the assets of a corporation.

For the purposes of subparagraphs *c* and *d* of the sixth paragraph, the cost of the contract referred to in that paragraph is equal to the portion of the consideration that the corporation undertakes to pay in accordance with the contract and that is attributable to scientific research and experimental development described in the contract, less the amount of any government assistance and non-government assistance that is attributable to the portion of that consideration, that the corporation has received, is entitled to receive or may reasonably expect to receive in respect of the scientific research and experimental development project or in respect of the carrying out of the project.”

(2) Paragraphs 1 to 5 of subsection 1 apply in respect of a consideration paid after 12 May 1994 as part of a contract entered into after that date.

(3) Paragraph 6 of subsection 1 applies in respect of university research contracts entered into after 9 May 1996.

207. (1) Section 1029.8.19.3 of the said Act, replaced by section 143 of chapter 1 of the statutes of 1995 and by section 149 of chapter 63 of the statutes of 1995, is again replaced by the following section:

“1029.8.19.3. Notwithstanding section 1029.8.19.2, a taxpayer may be deemed to have paid an amount to the Minister under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* of the first paragraph of each of those sections, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11, in respect of a project referred to in the first paragraph of that section 1029.8.19.2 in which the scientific research and experimental development is undertaken, in whole or in part, on behalf of the taxpayer or the partnership of which he is a member, by another person or partnership if, were it not for section 1029.8.19.2, an amount would have been deemed to have been paid to the Minister under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* of the first paragraph of that section, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11 and if each contribution referred to in the first paragraph of section 1029.8.19.2, in respect of the project or the carrying out thereof, constitutes an expenditure made by the other person or the other partnership to undertake, in whole or in part, the scientific research and experimental development.

Notwithstanding section 1029.8.19.2, a taxpayer may be deemed to have paid an amount to the Minister under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *e* of the first paragraph of each of those sections, under a contract referred to in the second paragraph of that section 1029.8.19.2 in which the work relating to scientific research and experimental development is undertaken, in whole or in part, on behalf of the taxpayer or the partnership of which he is a member, by another person or partnership if, were it not for section 1029.8.19.2, an amount would have been deemed to have been paid to the Minister under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *e* of the first paragraph of that section and if each contribution referred to in the second paragraph of that section 1029.8.19.2, in respect of the contract or the performance of the contract, constitutes an expenditure made by the other person or the other partnership to undertake, in whole or in part, that work.

Where the first or second paragraph applies to a taxpayer, the amount deemed to have been paid to the Minister, under section 1029.7 or 1029.8, in respect of the portion of a consideration referred to in subparagraph *c* or *e* of the first paragraph of that section, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11, shall be determined only on the portion of the qualified expenditure in respect of which an amount was otherwise deemed to have been paid to the Minister under that section 1029.7 or 1029.8 in respect of the portion of the consideration referred to in subparagraph *c* or *e* of the first paragraph of that section, or under any of sections 1029.8.6, 1029.8.7, 1029.8.10 and 1029.8.11, reduced by the amount of a contribution referred to in the first paragraph of section 1029.8.19.2 in respect of the project or the carrying out thereof or in the second paragraph of that section in respect of the contract or the performance thereof, as the case may be.”

(2) Subsection 1 applies in respect of a consideration paid after 12 May 1994 as part of a contract entered into after that date.

208. (1) Section 1029.8.19.5 of the said Act, amended by section 150 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in the first paragraph, “from a person who is a party to the project, from a person not dealing at arm’s length with that person, or from any other person” by “from a person or a partnership who or that is a party to the project, from a person or a partnership not dealing at arm’s length with that person or partnership, or from any other person or partnership”;

(2) by inserting, after the first paragraph, the following paragraph :

“Notwithstanding sections 1029.7 and 1029.8, in respect of the portion of a consideration referred to in subparagraph *d* of the first paragraph of each of those sections, where, in respect of a contract for work relating to scientific research and experimental development referred to in that subparagraph or in respect of the performance of the contract, a taxpayer, a partnership, a member of that partnership, a person not dealing at arm’s length with the taxpayer, the partnership or any member thereof, or any other person designated by the Minister, has obtained, is entitled to obtain or may reasonably expect to obtain a contribution or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain a contribution, from a person or a partnership who or that is a party to the work, from a person or a partnership not dealing at arm’s length with that person or partnership, or from any other person or partnership designated by the Minister, the taxpayer or any taxpayer who is a member of the partnership, as the case may be, is deemed not to be deemed to have paid to the Minister an amount under either of those sections, in respect of the portion of a consideration referred to in subparagraph *d* of the first paragraph of each of those sections, in respect of that contract.”;

(3) by replacing the portion of the second paragraph before subparagraph *b* by the following :

“A contribution to which the first paragraph refers in respect of a scientific research and experimental development project or in respect of the carrying out of such a project, or to which the second paragraph refers in respect of a contract for work relating to scientific research and experimental development or in respect of the performance of the contract, means

(*a*) a former, present or future right in the proceeds of disposition of part or all of the intellectual property arising from the project or contract, as the case may be;”.

(2) Subsection 1 applies in respect of a consideration paid after 12 May 1994 as part of a contract entered into after that date.

209. (1) Section 1029.8.19.7 of the said Act, enacted by section 151 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section :

“1029.8.19.7. For the purposes of the first paragraph of section 1029.8.19.2, in respect of a scientific research and experimental development project referred to in that paragraph or in respect of the carrying out of such a project, and for the purposes of the second paragraph of that section, in respect of a contract for work relating to scientific research and experimental development referred to in that paragraph, or in respect of the performance of the contract, a contribution whether in the form of a payment in currency, a transfer of ownership of a property, an assignment of the use or of the right to use a property, referred to in subparagraph *a* of the third paragraph of that section, is deemed, subject to a determination to the contrary by the Minister, not to be a contribution in respect of the project or the carrying out thereof, or in respect of the contract or the performance thereof, as the case may be, where

(a) the contribution results from the acquisition of property or the provision of a service following a transaction occurring in the ordinary course of a business carried on by the taxpayer, the partnership, the member or the person referred to in the first or second paragraph of that section 1029.8.19.2, as the case may be ;

(b) the property or the provision of the service being the object of the transaction is acquired or supplied for an amount not exceeding its fair market value where the person or the partnership making the contribution is the purchaser of the property or of the provision of the service and for an amount equal to or greater than its fair market value where the person or the partnership making the contribution is the person or partnership who or that is disposing of the property or supplying the provision of the service ; and

(c) the contribution is not in the form of an expenditure made to undertake the scientific research and experimental development referred to in the first paragraph of section 1029.8.19.3 or the work relating to scientific research and experimental development referred to in the second paragraph of that section 1029.8.19.3, or to cause such scientific research and experimental development or such work relating to scientific research and experimental development to be undertaken.”

(2) Subsection 1 applies in respect of a consideration paid after 12 May 1994 as part of a contract entered into after that date.

210. (1) Section 1029.8.21.3 of the said Act, enacted by section 145 of chapter 1 of the statutes of 1995 and amended by section 153 of chapter 63 of the statutes of 1995, is again amended

(1) by inserting, in the first paragraph, after “1029.8.9.0.3,” “1029.8.9.0.4,” ;

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

“The rule prescribed in the first paragraph does not apply in respect of an expenditure described therein for a taxation year if the Minister reclassifies that expenditure as an expenditure in respect of scientific research and experimental development and determines or redetermines the amount deemed to have been paid by the taxpayer to the Minister as partial payment of his tax payable for that year.”

(2) Paragraph 1 of subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

(3) Paragraph 2 of subsection 1 has effect from 22 February 1994 in respect of wages or part of a consideration paid, a qualified expenditure paid or incurred or an eligible fee paid, as the case may be, at any time.

211. (1) Section 1029.8.22 of the said Act, amended by section 457 of chapter 40 of the statutes of 1994, by section 146 of chapter 1 of the statutes of 1995, by sections 154 and 261 of chapter 63 of the statutes of 1995 and by section 59 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

(1) by replacing paragraphs *a* and *a.1* of the definition of “qualified training costs” by the following paragraphs :

“(a) the aggregate of all amounts each of which is the cost of a qualified training activity, other than such an activity referred to in any of sections 1029.8.23.1 to 1029.8.23.4, in which an eligible employee of the qualified corporation or the qualified partnership, as the case may be, is enrolled that is incurred by the qualified corporation or the qualified partnership directly with the qualified training institution or with the entity located outside Québec offering the qualified training activity or refunded by the qualified corporation or the qualified partnership to another person or entity where the cost of such an activity has been paid by the other person or entity directly to the qualified training institution or to the entity located outside Québec offering it, to the extent that, in all cases, the cost may reasonably be attributed to training particular to that eligible employee ;

“(a.1) the aggregate of all amounts, other than the portion of an expenditure which may reasonably be attributed to a salary or wages and which is referred to in paragraph *c.3* or *c.4* of the definition of “qualified training expenditure” and other than an amount referred to in paragraph *d* or *e*, each of which is an amount paid by the qualified corporation or the qualified partnership, as the case may be, directly to a qualified training institution within the framework of a contract referred to in subparagraph *d* of the first paragraph of section 1029.8.23.1 or paragraph *d* of any of sections 1029.8.23.2 to 1029.8.23.4 or refunded by the qualified corporation or the qualified partnership to another person or entity that paid it directly to such an institution within the framework of a contract referred to in any of sections 1029.8.23.2 to 1029.8.23.4, in

respect of a qualified training activity consisting of a course given to an eligible employee by an employee acting as an instructor, where the involvement of the qualified training institution in respect of that qualified training activity meets the requirements set out in subparagraph *e* of the first paragraph of section 1029.8.23.1 or paragraph *e* of any of sections 1029.8.23.2 to 1029.8.23.4, as the case may be;”;

(2) by replacing paragraph *g* of the definition of “qualified training costs” by the following paragraph:

“(g) the aggregate of all amounts each of which is costs paid by the qualified corporation or the qualified partnership, as the case may be, directly to the Société québécoise de développement de la main-d’oeuvre or refunded by the qualified corporation or the qualified partnership to another person or entity that paid them directly to the Société québécoise de développement de la main-d’oeuvre, where, in all cases, the costs are paid

i. in respect of the filing of the statement referred to in subparagraph *i* of any of subparagraphs *d* to *d.2* of the first paragraph of section 1029.8.23, in respect of a qualified training activity, or

ii. for the purpose of obtaining the authorization referred to in the definition of “qualified training activity” in respect of such a qualified training activity;”;

(3) by replacing the definition of “registered private training company” by the following definition:

““registered private training company” at a particular time means an instructor who, at that time, is accredited by the Société québécoise de développement de la main-d’oeuvre, or a corporation, or a partnership all the members of which are corporations, that is, at that particular time, registered as a private training company with the Société québécoise de développement de la main-d’oeuvre;”.

(2) Paragraph 1 of subsection 1, where it enacts paragraph *a* of the definition of “qualified training costs” in the first paragraph of section 1029.8.22 of the said Act, has effect from 27 April 1990. However, that paragraph *a*,

(1) where it applies in respect of a training expenditure made before 15 May 1992, shall be read as follows:

“(a) the aggregate of all amounts each of which is the cost of a qualified training activity in which an eligible employee of the qualified corporation is enrolled that is incurred by the qualified corporation directly with the entity offering the qualified training activity or refunded by the qualified corporation to another person or entity where the cost of such an activity has been paid by the other person or entity directly to the entity offering it, to the extent that, in all cases, the cost may reasonably be attributed to training given to that eligible employee;”;

(2) where it applies in respect of a training expenditure made after 14 May 1992, other than such an expenditure in respect of a qualified training activity held pursuant to the terms of a contract in writing entered into after 31 August 1993 and before the qualified training activity is held, shall be read as follows :

“(a) the aggregate of all amounts each of which is the cost of a qualified training activity in which an eligible employee of the qualified corporation or the qualified partnership, as the case may be, is enrolled that is incurred by the qualified corporation or the qualified partnership directly with the entity offering the qualified training activity or refunded by the qualified corporation or the qualified partnership to another person or entity where the cost of such an activity has been paid by the other person or entity directly to the entity offering it, to the extent that, in all cases, the cost may reasonably be attributed to training given to that eligible employee;”.

(3) Paragraph 1 of subsection 1, where it enacts paragraph *a.1* of the definition of “qualified training costs” in the first paragraph of section 1029.8.22 of the said Act, applies in respect of a qualified training activity held pursuant to the terms of a contract in writing entered into after 31 August 1993 and before the qualified training activity is held.

(4) Paragraph 2 of subsection 1 applies in respect of costs paid to the Société québécoise de développement de la main-d’oeuvre after 14 September 1993.

(5) Paragraph 3 of subsection 1 applies in respect of an instructor accredited by the Société québécoise de développement de la main-d’oeuvre after 31 December 1995.

212. (1) Section 1029.8.22.1 of the said Act, enacted by section 147 of chapter 1 of the statutes of 1995 and amended by sections 155 and 261 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

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

“(a) an amount equal to the cost of the qualified training activity in which an eligible laid-off employee of the qualified corporation or qualified partnership, as the case may be, is enrolled, other than such an activity referred to in any of sections 1029.8.23.1 to 1029.8.23.4, that is paid, with the approval of a committee on reclassification, by a person who is a member of the committee, directly to the qualified training institution offering the qualified training activity, or refunded by such a person, with the committee’s approval, to another person or entity where the cost of such an activity has been paid by the other person or entity to the qualified training institution offering the activity, to the extent that the cost may reasonably be attributed to training given to that eligible laid-off employee;”;

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

“(h) an amount, other than an amount referred to in any of paragraphs *c* to *g*, that is paid, with the approval of a committee on reclassification, by a person who is a member of the committee, directly to the qualified training institution within the framework of a contract referred to in subparagraph *d* of the first paragraph of section 1029.8.23.1 or paragraph *d* of any of sections 1029.8.23.2 to 1029.8.23.4, or refunded by such a person to another person or entity that paid it directly to such an institution within the framework of a contract referred to in paragraph *d* of any of sections 1029.8.23.2 to 1029.8.23.4, in respect of a qualified training activity consisting of a course given by an employee acting as an instructor, where the involvement of the qualified training institution in respect of that qualified training activity meets the requirements set out in subparagraph *e* of the first paragraph of section 1029.8.23.1 or paragraph *e* of any of sections 1029.8.23.2 to 1029.8.23.4, as the case may be; and”.

(2) Subsection 1 applies in respect of expenditures paid after 30 November 1993 in respect of qualified training activities held pursuant to the terms of a contract in writing entered into after that date between a qualified training institution and a qualified corporation or a qualified partnership, as the case may be, or an entity responsible for the organization of the qualified training activity.

213. (1) Section 1029.8.23 of the said Act, amended by section 148 of chapter 1 of the statutes of 1995, by section 156 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by adding, after subparagraph *g* of the first paragraph, the following subparagraph:

“(h) an expenditure that relates to a qualified training activity and corresponds

i. to qualified training costs to the extent that it may reasonably be considered that the qualified training activity is offered after 31 December 1998, or

ii. to the wages or salary paid to an employee that may reasonably be attributed to the employee’s participation, after 31 December 1998, in that qualified training activity.”

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

214. (1) Section 1029.8.25 of the said Act, amended by section 154 of chapter 1 of the statutes of 1995, by section 157 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“ii. in other cases, if the qualified training activity to which it relates is completed after 31 December 1996.”;

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

(3) by replacing, in the second paragraph, “sections 1145, 1159.7 and 1175” and “pursuant to Parts IV, IV.1 and VI” by “sections 1145, 1159.7, 1175 and 1175.19” and “pursuant to Parts IV, IV.1, VI and VI.1”, respectively.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 1 January 1996.

(3) Paragraph 3 of subsection 1 applies to taxation years that end after 9 May 1996.

215. (1) Section 1029.8.25.1 of the said Act, amended by section 155 of chapter 1 of the statutes of 1995, by section 158 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“ii. in other cases, if the qualified training activity to which it relates is completed after 31 December 1996.”;

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

(3) by replacing, in the second paragraph, “sections 1145, 1159.7 and 1175” and “pursuant to Parts IV, IV.1 and VI” by “sections 1145, 1159.7, 1175 and 1175.19” and “pursuant to Parts IV, IV.1, VI and VI.1”, respectively.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 1 January 1996.

(3) Paragraph 3 of subsection 1 applies to taxation years that end after 9 May 1996.

216. (1) Section 1029.8.33.2 of the said Act, enacted by section 156 of chapter 1 of the statutes of 1995 and amended by section 163 of chapter 63 of the statutes of 1995 and by section 60 of chapter 3 of the statutes of 1997, is again amended by striking out, in paragraph *c* of the definition of “eligible trainee” in the first paragraph, the words “approved by the Minister of Education,”.

(2) Subsection 1 applies in respect of wages and costs paid within the framework of a qualified training period that begins after 9 May 1995.

217. (1) Section 1029.8.33.5.1 of the said Act, enacted by section 168 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

218. (1) Section 1029.8.33.10 of the said Act, enacted by section 156 of chapter 1 of the statutes of 1995 and amended by section 172 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the portion of the second paragraph before subparagraph *a* by the following :

“The attestation described in subparagraphs *a* to *c* of the first paragraph shall also contain the following information:”.

(2) Subsection 1 applies in respect of wages and costs paid within the framework of a qualified training period that begins after 9 May 1995.

219. (1) Section 1029.8.34 of the said Act, amended by section 174 of chapter 63 of the statutes of 1995, by section 273 of chapter 39 of the statutes of 1996 and by section 61 of chapter 3 of the statutes of 1997, is again amended, in the definition of “qualified manpower expenditure” in the first paragraph,

(1) by striking out, in subparagraph 2 of subparagraph *i* of paragraph *a*, the words “, of any assistance referred to in section 1049.31 in respect of the property, not exceeding 400% of the penalty to which the corporation was liable in a taxation year preceding the year under the said section 1049.31 in respect of such assistance,”;

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

“(2.1) 250% of the lesser of a repayment made by the corporation in the year, pursuant to a legal obligation to do so, of any assistance referred to in subparagraph *i* of subparagraph *d* of the first paragraph of section 1129.2, in respect of the property, and of the tax under Part III.1 which the corporation is required to pay in a taxation year preceding the year by reason of the said subparagraph *d* in respect of such assistance, and”;

(3) by replacing subparagraph 3 of subparagraph *i* of paragraph *a* by the following subparagraph :

“(3) the amount by which the aggregate of all amounts each of which is, for a taxation year preceding the year in respect of the property, the manpower expenditure of the corporation, an amount determined under subparagraph 2 or 2.1 or 250% of the amount by which the amount which, but for the fourth paragraph of section 1029.8.35, the corporation would be deemed to have paid to the Minister under that section exceeds the amount that the corporation is deemed to have paid to the Minister under that section, exceeds the aggregate of all amounts each of which is a qualified manpower expenditure of the corporation in respect of the property for a taxation year before the end of which the main filming and taping of the property began and which precedes the year, exceeds”;

(4) by striking out subparagraph 2 of subparagraph ii of paragraph *b*;

(5) by adding, after subparagraph 2 of subparagraph ii of paragraph *b*, the following subparagraph:

“(3) 250% of the aggregate of all amounts each of which is the amount by which the amount which, but for the fourth paragraph of section 1029.8.35, the corporation would be deemed to have paid to the Minister under that section, for a taxation year preceding the year in respect of the property, exceeds the amount which it is deemed to have paid to the Minister under that section;”.

(2) Paragraphs 1 and 4 of subsection 1 have effect from 9 May 1996.

(3) Paragraphs 2, 3 and 5 of subsection 1 have effect from 10 May 1995.

220. (1) Section 1029.8.35 of the said Act, amended by section 50 of chapter 21 of the statutes of 1994, by section 175 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in the first paragraph, the words “that was issued in favour of the corporation” by the words “that was given or issued”;

(2) by replacing, in the second paragraph, “sections 1145, 1159.7 and 1175” and “pursuant to Parts IV, IV.1 and VI” by “sections 1145, 1159.7, 1175 and 1175.19” and “pursuant to Parts IV, IV.1, VI and VI.1”, respectively;

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

“In addition, where the property referred to in the first paragraph is a televised magazine or a variety program the main filming and taping of which began after 9 May 1995, other than a televised magazine or variety program intended for children under 13 years of age, the amount determined under that paragraph in respect of that property for the year shall not exceed the amount by which 40% of the amount determined for the year in respect of that property under subparagraph i of paragraph *b* of the definition of “qualified manpower expenditure” in the first paragraph of section 1029.8.34 exceeds the aggregate of all amounts that the corporation is deemed to have paid to the Minister under this section in respect of that property for a preceding taxation year and the amount of any assistance, attributable to the production costs of that property which are referred to in that subparagraph i for the year, that the corporation has received or is entitled to receive from the Société de développement des entreprises culturelles in respect of that property, under production assistance programmes of the Société de développement des entreprises culturelles in force before 1 April 1996, at the time of the filing of its fiscal return for the year and that it has not repaid at that time pursuant to a legal obligation to do so.”

(2) Paragraph 2 of subsection 1 applies to taxation years that end after 9 May 1996.

(3) Paragraph 3 of subsection 1 has effect from 10 May 1995.

221. (1) The said Act is amended by inserting, after section 1029.8.36, the following :

“DIVISION II.6.0.1

“CREDIT FOR MULTIMEDIA TITLES

“1029.8.36.0.1. In this division,

“certified production costs” of a corporation for a taxation year in respect of a property that is a multimedia title means the amount entered as such on the final certificate or document validating the operating receipts, as the case may be, issued to the corporation in respect of the property by the Société de développement des entreprises culturelles ;

“eligible operating receipts” of a corporation for a taxation year in respect of a property that is a multimedia title means the lesser of

(a) the aggregate of

i. the operating receipts of the corporation for the year in respect of the property, and

ii. the amount by which the aggregate of the operating receipts of the corporation in respect of the property for a taxation year preceding the year exceeds the aggregate of the eligible operating receipts of the corporation in respect of the property for a taxation year preceding the year ; and

(b) the amount by which

i. 50% of the amount by which the certified production costs of the corporation for the year in respect of the property exceeds the aggregate of all amounts each of which is the amount by which the amount of any government assistance or non-government assistance attributable to those costs, that the corporation has received, is entitled to receive or may reasonably expect to receive at the time of filing its fiscal return for the year, exceeds the portion of that amount it has paid, by that time, as repayment of the assistance pursuant to a legal obligation to do so, exceeds

ii. the amount by which the aggregate of the eligible operating receipts of the corporation in respect of the property for a taxation year preceding the year exceeds 500% of the aggregate of all amounts each of which is tax the corporation is required to pay under Part III.1.1 in respect of the property for a taxation year preceding the year and that is attributable to an amount that the

corporation is deemed to have paid to the Minister under paragraph *c* of section 1029.8.36.0.2 ;

“eligible production costs” of a corporation for a taxation year in respect of a property that is a multimedia title means the amount entered as such on the preliminary certificate issued for the year to the corporation in respect of the property by the Société de développement des entreprises culturelles ;

“government assistance” means assistance from a government, municipality or other public authority, whether as a grant, subsidy, forgivable loan, deduction from tax, investment allowance or as any other form of assistance, other than an amount of financial assistance granted by the Conseil des arts et des lettres du Québec, by the information highway fund or by the Société de développement des entreprises culturelles and an amount that a corporation is deemed to have paid to the Minister for a taxation year under this division ;

“manpower expenditure” of a corporation for a taxation year in respect of a property that is a multimedia title means, subject to the second paragraph, the expenditure indicated as such by the Société de développement des entreprises culturelles on the preliminary or final certificate, as the case may be, issued to the corporation by the Société for the year in respect of the property ;

“multimedia title” of a corporation for a taxation year means an organized set of numerical information in respect of which the Société de développement des entreprises culturelles issues for the year a certificate or document validating the operating receipts for the purposes of this division ;

“non-government assistance” means an amount that would be included in computing the income of a taxpayer by virtue of paragraph *w* of section 87 if that paragraph were read without reference to subparagraphs *ii* and *iii* thereof ;

“operating receipts” of a corporation for a taxation year in respect of a property that is a multimedia title means the amount entered for the year as such on the document validating the operating receipts, issued to the corporation for the year in respect of the property by the Société de développement des entreprises culturelles ;

“qualified manpower expenditure” of a corporation for a taxation year in respect of a property that is a multimedia title means the lesser of

(a) the amount by which

i. the aggregate of

(1) the manpower expenditure of the corporation for the year in respect of the property,

(2) a repayment made by the corporation in the year pursuant to a legal obligation to do so, of any assistance referred to, in respect of the property, in subparagraph *ii* or in the second paragraph, and

(3) the amount by which the aggregate of all amounts each of which is the manpower expenditure of the corporation or an amount determined under subparagraph 2, for a taxation year preceding the year and in respect of the property, exceeds the aggregate of all amounts each of which is the qualified manpower expenditure of the corporation in respect of the property for a taxation year preceding the year, exceeds

ii. the amount by which

(1) the amount of any government assistance or non-government assistance that the corporation has received, is entitled to receive or may reasonably expect to receive at the time of filing its fiscal return for the year and that is attributable to a manpower expenditure of the corporation in respect of the property for a taxation year preceding the year, to the extent that it has not, by virtue of the second paragraph, reduced the manpower expenditure of the corporation for that preceding year, or has not, under this subparagraph, reduced the qualified manpower expenditure of the corporation in respect of the property for a taxation year preceding the year, exceeds

(2) 500% of the aggregate of all amounts, each of which is tax the corporation is required to pay under subparagraph *i* of subparagraph *f* of the first paragraph of section 1129.4.2 in respect of the property for a taxation year preceding the year; exceeds

(b) the amount by which

i. 50% of the amount by which, where the Société de développement des entreprises culturelles has issued a final certificate in respect of the property before the end of the year, the certified production costs in respect of the property or, where the Société de développement des entreprises culturelles has issued a preliminary certificate, the aggregate of the eligible production costs of the corporation in respect of the property for the year or for a preceding taxation year, exceeds the aggregate of all amounts each of which is the amount by which the amount of any government assistance or non-government assistance attributable to those costs, that the corporation has received, is entitled to receive or may reasonably expect to receive at the time of filing its fiscal return for the year, exceeds the portion of that amount it has paid, by that time, as repayment of the assistance pursuant to a legal obligation to do so, exceeds

ii. the amount by which the aggregate of all amounts each of which is the qualified manpower expenditure of the corporation in respect of the property for a taxation year preceding the year exceeds 500% of the aggregate of all amounts each of which is tax the corporation is required to pay under Part III.1.1 in respect of the property for a taxation year preceding the year and that is attributable to an amount that the corporation is deemed to have paid to the Minister under paragraph *a* of section 1029.8.36.0.2.

The amount of the manpower expenditure of a corporation for a taxation year in respect of a property that is a multimedia title shall be reduced, where applicable, by the amount of any government assistance and non-government assistance attributable to that expenditure and that the corporation has received, is entitled to receive or may reasonably expect to receive at the time of filing its fiscal return for that year.

For the purposes of subparagraph 2 of subparagraph *i* of paragraph *a* of the definition of “qualified manpower expenditure” in the first paragraph and of subparagraph *i* of paragraph *b* of the definitions of “qualified manpower expenditure” and “eligible operating receipts” in that paragraph, an amount of assistance is deemed to be repaid by a corporation in a taxation year, pursuant to a legal obligation to do so, where that amount

(*a*) was applied, for the purpose of computing the amount the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.0.2

i. in reduction of a manpower expenditure of the corporation because of the second paragraph,

ii. in reduction of a qualified manpower expenditure of the corporation because of subparagraph *ii* of paragraph *a* of the definition of “qualified manpower expenditure” in the first paragraph, and

iii. because of subparagraph *i* of paragraph *b* of the definition of “qualified manpower expenditure” and of “eligible operating receipts” in the first paragraph, the eligible production costs of the corporation for the year or a preceding taxation year or its certified production costs, as the case may be;

(*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.

“1029.8.36.0.2. A corporation that, for a taxation year, encloses with its fiscal return it is required to file for the year under section 1000, a copy of the preliminary or final certificate or the document validating the operating receipts, as the case may be, issued to it by the Société de développement des entreprises culturelles for the year in respect of a multimedia title of the corporation, and the prescribed form containing the prescribed information, is deemed to have paid to the Minister on the day referred to in subparagraph *b* of the first paragraph of section 1027 in respect of that year, or that would be referred to in that subparagraph *b* if the corporation had a remainder of tax payable for that year, as partial payment of its tax payable for that year under this Part, an amount equal to the aggregate of

(*a*) 20% of its qualified manpower expenditure in respect of the title for the year;

(b) where the Société de développement des entreprises culturelles certifies that the title is both available in French and intended for the consumer market, an amount equal to the amount determined in paragraph *a* in respect of the title; and

(c) 20% of its eligible operating receipts for the year in respect of the title.

“1029.8.36.0.3. For the purposes of this division,

(a) no amount shall, for a taxation year, be deemed, under section 1029.8.36.0.2, to have been paid to the Minister by a corporation in respect of a multimedia title if a certificate issued to the corporation in respect of the title is revoked in that year;

(b) no amount shall, for a taxation year, be deemed, under paragraph *b* of section 1029.8.36.0.2, to have been paid to the Minister by a corporation in respect of a multimedia title if the part of a certificate issued to the corporation in respect of the title, attesting that the title is both available in French and intended for the consumer market, is revoked in that year; and

(c) no amount shall, for a taxation year, be deemed, under paragraph *c* of section 1029.8.36.0.2, to have been paid to the Minister by a corporation in respect of a multimedia title if a document issued to the corporation validating the operating receipts in respect of the title is revoked in that year.”

(2) Subsection 1 applies to multimedia titles in respect of which the Société de développement des entreprises culturelles issues a certificate after 9 May 1996.

222. (1) Section 1029.8.36.4.1 of the said Act, enacted by section 179 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

223. (1) Section 1029.8.36.5 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 180 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(a) is reasonably attributable to the carrying out of the design activity in the year or a preceding taxation year; and”;

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

“For the purpose of computing the payments that a corporation referred to in the first paragraph, other than a corporation that is a large corporation within the meaning of section 1029.6.0.2, is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, as partial payment of the aggregate of its tax payable for the year pursuant to this Part and of its tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, the amount that would be determined under the first paragraph if it applied only to the period covered by the payment.”

(2) Paragraph 1 of subsection 1 applies to taxation years that begin after 31 July 1995.

(3) Paragraph 2 of subsection 1 applies to taxation years that end after 9 May 1996.

224. (1) Section 1029.8.36.6 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 181 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(a) is reasonably attributable to the carrying out of the design activity in the fiscal period or in a preceding fiscal period; and”;

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

“For the purpose of computing the payments that a corporation referred to in the first paragraph, other than a corporation that is a large corporation within the meaning of section 1029.6.0.2, is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, for its taxation year in which the fiscal period of the qualified partnership ends, the corporation is deemed to have paid to the Minister, as partial payment of the aggregate of its tax payable for the year pursuant to this Part and of its tax payable for the year pursuant to Parts IV, IV.1, VI and VI.1, on the date on which that fiscal period ends where that date coincides with the date on or before which the corporation is required to make such a payment or, in other cases, on the first date following the end of that fiscal period which is the date on or before which it is required to make such a payment, the amount determined for the year in its respect under the first paragraph.”

(2) Paragraph 1 of subsection 1 applies to taxation years that begin after 31 July 1995.

(3) Paragraph 2 of subsection 1 applies to taxation years that end after 9 May 1996.

225. (1) Section 1029.8.36.7 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 182 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the second and third paragraphs by the following paragraphs :

“For the purposes of the first paragraph,

(a) where qualified wages incurred in a taxation year are reasonably attributable to the carrying out of a design activity in a taxation year subsequent to the year, the qualified wages are deemed to be incurred in that subsequent taxation year ;

(b) where qualified wages incurred in a period, in respect of a particular designer, are attributable, in a proportion of at least 90%, to the carrying out of a design activity, the qualified wages are deemed to be wholly attributable to that design activity.

However, the first paragraph does not apply to a qualified corporation whose gross revenue for the year from the carrying on of the business referred to in that paragraph is less than \$150,000 or, where the taxation year of a qualified corporation has fewer than 52 weeks, less than the amount obtained by multiplying \$150,000 by the proportion that the number of weeks in the taxation year is of 52.”

(2) Subsection 1, where it replaces the second paragraph of section 1029.8.36.7 of the said Act, applies to taxation years that end after 9 May 1996 and, where it replaces the third paragraph of the said section 1029.8.36.7, applies to taxation years that begin after that date.

226. Section 1029.8.36.8 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 183 of chapter 63 of the statutes of 1995, is again amended by replacing paragraphs *a* and *b* by the following paragraphs :

“(a) 20%, where the contract is entered into before 1 January 1998, in respect of a design activity carried out before 1 January 1999 ; and

“(b) 10%, where the contract is entered into either before 1 January 1998, in respect of a design activity carried out after 31 December 1998, or after 31 December 1997.”

227. Section 1029.8.36.9 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995, is replaced by the following section :

“**1029.8.36.9.** The percentage referred to in the first paragraph of section 1029.8.36.7 is 20% where the qualified wages are incurred before 1 January 1998 and 10% where such wages are incurred after 31 December 1997.”

228. (1) Section 1029.8.36.10 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 184 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section:

“**1029.8.36.10.** Where the corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7 is a corporation whose assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$50,000,000,

(a) the rate of “20%” mentioned in sections 1029.8.36.8 and 1029.8.36.9 shall be replaced by the rate determined by the formula

$$40\% - \frac{[(A - \$25,000,000) \times 20\%]}{\$25,000,000}; \text{ and}$$

(b) the rate of “10%” mentioned in sections 1029.8.36.8 and 1029.8.36.9 shall be replaced by the rate determined by the formula

$$20\% - \frac{[(A - \$25,000,000) \times 10\%]}{\$25,000,000}$$

For the purposes of the formulas in the first paragraph, A is the assets of the corporation determined as provided in this subdivision.

Where the corporation referred to in the first paragraph is a cooperative, the first paragraph shall be read as if the reference therein to “submitted to the shareholders” were a reference to “submitted to the members”.

(2) Subsection 1 applies in respect of expenditures or wages incurred after 9 May 1996 in respect of a design activity carried out after that date. However, where section 1029.8.36.10 of the said Act, enacted by subsection 1, applies to a taxation year of a corporation that includes 9 May 1996, subsection 1 applies only in respect of a corporation whose assets for its preceding taxation year or, if the corporation is in its first fiscal period, at the beginning of its first fiscal period, were greater than or equal to \$25,000,000 but less than \$50,000,000.

229. (1) Section 1029.8.36.11 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the first paragraph by the following paragraph:

“1029.8.36.11. For the purposes of section 1029.8.36.10, in computing the assets of a corporation at the time referred to therein, the amount representing the surplus reassessment of its property and the amount of its intangible assets shall be subtracted, to the extent that the amount indicated in their respect exceeds the expenditure made in their respect.”

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

230. (1) Sections 1029.8.36.13 and 1029.8.36.14 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, are repealed.

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

231. (1) Section 1029.8.36.15 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following section:

“1029.8.36.15. For the purposes of sections 1029.8.36.10 to 1029.8.36.12, where a corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7 or a corporation associated with it reduces its assets by any transaction in a taxation year and, but for that reduction, the corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7 would not be contemplated in section 1029.8.36.10, the assets are deemed not to have been so reduced unless the Minister decides otherwise.”

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

232. (1) Section 1029.8.36.16 of the said Act, enacted by section 157 of chapter 1 of the statutes of 1995, replaced by section 185 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section:

“1029.8.36.16. Sections 1029.8.36.5 to 1029.8.36.7 apply with reference to the following rules:

(a) a validation certificate that is revoked, in whole or in part, by the Minister of Industry, Trade, Science and Technology is, as far as the whole or part so revoked is concerned, null and void from the time the certificate was issued;

(b) no amount may be deemed, under section 1029.8.36.5, to have been paid to the Minister by a qualified corporation in respect of an expenditure incurred by the corporation in respect of an outside consulting contract entered

into for the carrying out of a design activity referred to in the first paragraph of that section, if the validation certificate issued to the corporation in respect of the design activity is revoked in respect of that contract ;

(c) no amount may be deemed, under section 1029.8.36.6, to have been paid to the Minister by a qualified corporation in respect of an expenditure incurred by a partnership of which it is a member in respect of an outside consulting contract entered into for the carrying out of a design activity referred to in the first paragraph of that section, if the validation certificate issued to the partnership in respect of the design activity is revoked in respect of that contract ; and

(d) no amount may be deemed, under section 1029.8.36.7, to have been paid to the Minister by a qualified corporation in respect of qualified wages incurred as part of a design activity referred to in the first paragraph of that section, if the validation certificate issued to the corporation, in respect of the design activity, is revoked.”

(2) Subsection 1 applies to taxation years that begin after 31 July 1995.

233. (1) Division II.6.3 of Chapter III.1 of Title III of Book IX of Part I of the said Act, enacted by section 193 of chapter 63 of the statutes of 1995, is repealed.

(2) Subsection 1 applies to taxation years that end after 9 May 1996. In addition,

(1) where section 1029.8.36.49 of the said Act, repealed by subsection 1, applies to a taxation year that ends before 10 May 1996, the second paragraph thereof shall be read as follows :

“The rule prescribed in the first paragraph does not apply in respect of the portion of an amount referred to in any of paragraphs *a* to *c* of the definition of “refundable tax credit account” in section 1029.8.36.30 for a taxation year where it relates to an expenditure to which the second paragraph of section 1029.8.21.3 applies for that year.” ;

(2) where a corporation has, for a taxation year preceding its first taxation year that ends after 9 May 1996, an unused portion of the refundable tax credit account, within the meaning given to the expression by section 1029.8.36.30 of the said Act, repealed by subsection 1, the following rules apply :

(a) the corporation is deemed to have paid to the Minister of Revenue, on the day referred to in subparagraph *b* of the first paragraph of section 1027 of the said Act in respect of its first taxation year that ends after 9 May 1996, or that would be referred to in that subparagraph *b* if the corporation had a remainder of tax payable for that year, as partial payment of its tax payable under Part I of the said Act for that year, that unused portion of the refundable tax credit account ;

(b) a corporation that is deemed to have paid an amount under subparagraph *a* for the taxation year referred to therein shall, in the fiscal return it is required to file for that year with the Minister of Revenue in accordance with section 1000 of the said Act, estimate that amount;

(c) section 1005 of the said Act applies to the amount deemed to have been paid to the Minister of Revenue under subparagraph *a*, and paragraph *f* of section 312, paragraph *e* of subsection 1 of section 336 and sections 1000 to 1079 of the said Act, to the extent that they relate to an assessment or reassessment and to a determination or redetermination of tax, apply, with the necessary modifications, to a determination or redetermination of the amount deemed to have been paid;

(d) for the purposes of Part I of the said Act and the regulations made under that Part, the amount that the corporation is deemed to have paid to the Minister of Revenue under subparagraph *a* for the taxation year referred to therein in respect of an amount included, for a taxation year, in its refundable tax credit account, within the meaning given to the expression by section 1029.8.36.30 of the said Act, repealed by subsection 1, is deemed not to be assistance or an inducement received by the corporation from a government.

234. (1) The said Act is amended by inserting, after section 1029.8.36.53, enacted by section 250 of chapter 39 of the statutes of 1996, the following:

“DIVISION II.6.5

“CREDIT FOR THE CONSTRUCTION OF VESSELS

“§ 1. — *Interpretation and general provisions*

“**1029.8.36.54.** In this division,

“apparent payment” means an amount paid or payable by a person who, under the terms of a contract with a qualified corporation, carries out work or prepares plans and specifications for the qualified corporation, where the amount is paid or payable for the use of premises, facilities or equipment, or for the provision of services, and that may reasonably be considered to be included in a qualified construction expenditure;

“construction expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the aggregate of the following amounts, to the extent that they are reasonable in the circumstances:

(a) in respect of plans and specifications relating to the eligible vessel,

i. where the plans and specifications are, in whole or in part, prepared by the qualified corporation, the salaries or wages incurred in the year or in a preceding taxation year by the qualified corporation for the preparation, by its employees of an establishment of the corporation situated in Québec, of the plans and specifications,

ii. where the plans and specifications are, in whole or in part, prepared for the qualified corporation under the terms of a contract, by a person or partnership with whom or with which the qualified corporation is not dealing at arm's length, the aggregate of all amounts each of which is the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages incurred by the person or partnership in the year or in a preceding taxation year for the preparation of the plans and specifications by its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees, and

iii. in any other case, the portion of the cost of a contract, incurred by the qualified corporation in the year or in a preceding taxation year, that may reasonably be attributed to work carried out in Québec for the preparation of the plans and specifications ;

(b) where the construction of an eligible vessel is carried out in whole or in part by the qualified corporation, the salaries or wages, incurred in the year or in a preceding taxation year, of its employees of an establishment situated in Québec and that are attributable to the construction of the eligible vessel ;

(c) where, under the terms of an eligible contract, a portion of the construction of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is not dealing at arm's length at the time the contract is entered into, the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages that are attributable to the construction of the eligible vessel incurred by the person or partnership in the year or in a preceding year in respect of its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees ;

(d) where, under the terms of an eligible contract, a portion of the construction of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is dealing at arm's length at the time the contract is entered into, one-half of the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation to the person or partnership under the terms of the contract, that may reasonably be attributed to construction work provided for in the contract carried out in the year or in a preceding year by the employees of an establishment of the person or partnership situated in Québec, or that could be so attributed if the person or partnership had such employees ;

“eligible contract” means a contract in respect of which a validation certificate has been issued by the Minister of Industry, Trade, Science and Technology, entered into by a qualified corporation with a person and under which the qualified corporation entrusts the person with the carrying out of work in Québec which is related to the construction of an eligible vessel by the qualified corporation ;

“eligible vessel” of a qualified corporation means a vessel constructed in Québec by the corporation under a project in respect of which the Minister of Industry, Trade, Science and Technology has issued a validation certificate attesting that the vessel will be a prototype with a gross tonnage of at least 100 tons ;

“government assistance” means assistance from a government, municipality or other public authority, whether as a grant, subsidy, forgivable loan, deduction from tax, investment allowance or as any other form of assistance ;

“non-government assistance” means an amount that would be included in computing the income of a taxpayer by virtue of paragraph *w* of section 87, if that paragraph were read without reference to subparagraphs *ii* and *iii* thereof ;

“qualified construction expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the amount by which

(*a*) the aggregate of

i. the construction expenditure of the qualified corporation for the year in respect of the eligible vessel, and

ii. any amount paid by the qualified corporation in the year or in a preceding taxation year, pursuant to a legal obligation to do so, as repayment of assistance which, in the year or in a preceding taxation year, reduced, because of subparagraph *a* of the third paragraph, a construction expenditure of the qualified corporation in respect of the eligible vessel ; exceeds

(*b*) 250% of the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister under section 1029.8.36.55, as partial payment of its tax payable, by the qualified corporation in respect of the eligible vessel for a preceding taxation year ;

“qualified corporation”, in respect of a taxation year, means a corporation which, in the year, carries on a shipbuilding business in Québec and has an establishment in Québec, and which is neither a corporation that is exempt from tax for the year under Book VIII nor a corporation which would be exempt from tax under section 985, but for section 192 or for the exception under the second paragraph of that section 985 and if the latter section were read by inserting therein, after the second paragraph, the following paragraph :

“A subsidiary wholly-owned corporation of a corporation that is itself such a subsidiary of another corporation is deemed, for the purposes of this section, to be a subsidiary wholly-owned corporation of that other corporation.” ;

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III.

For the purposes of paragraphs *b* and *c* of the definition of “construction expenditure” in the first paragraph, the salaries or wages incurred by a person or a partnership in respect of an employee shall be attributable to the construction of an eligible vessel only where the employee works directly on the construction of the vessel and only to the extent that they may reasonably be considered to relate to the construction of the vessel in view of the time spent thereon by the employee; in that respect, an employee who spends 90% or more of his time on the construction of an eligible vessel is deemed to spend all of his time thereon.

For the purposes of the first paragraph,

(*a*) the amount of a construction expenditure incurred by a qualified corporation for a taxation year in respect of an eligible vessel shall be reduced by the amount of any government assistance and non-government assistance attributable to that expenditure and that the qualified corporation has received, is entitled to receive or may reasonably expect to receive at the time of the filing of its fiscal return for that year;

(*b*) an amount incurred or paid in a taxation year which relates to the activities or work to be carried out in a subsequent taxation year is deemed not to have been incurred or paid in that year but to have been incurred or paid in the subsequent year during which the activities or work to which the amount relates are carried out; and

(*c*) the amount of a qualified construction expenditure of a qualified corporation for a taxation year in respect of an eligible vessel shall be reduced by the amount of any apparent payment attributable to that expenditure, which the qualified corporation or a person with whom or with which it is not dealing at arm’s length has received, is entitled to receive or may reasonably expect to receive at the time of the filing of its fiscal return for that year.

For the purposes of subparagraph ii of paragraph *a* of the definition of “qualified construction expenditure” in the first paragraph, an amount of assistance is deemed to be repaid by a qualified corporation in a taxation year, pursuant to a legal obligation to do so, where that amount

(*a*) was applied, because of subparagraph *a* of the third paragraph, in reduction of a construction expenditure of the qualified corporation for the purpose of computing the amount the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.55;

(*b*) was not received by the qualified corporation; and

(*c*) ceased in the taxation year to be an amount that the qualified corporation may reasonably expect to receive.

“§ 2. — *Credit*

“**1029.8.36.55.** A qualified corporation that, in a taxation year, constructs in Québec an eligible vessel and includes with its fiscal return it is required to file for the year under section 1000 a copy of the validation certificate issued to it by the Minister of Industry, Trade, Science and Technology, in respect of the eligible vessel, attesting that the eligible vessel is a prototype with a gross tonnage of at least 100 tons, and the prescribed form containing prescribed information, is deemed to have paid to the Minister on the day referred to in subparagraph *b* of the first paragraph of section 1027 in respect of that year, or that would be referred to in that subparagraph *b* if the corporation had a remainder of tax payable for that year, as partial payment of its tax payable for that year under this Part, the lesser of

(a) the aggregate of

i. 40% of its qualified construction expenditure for the year in respect of the eligible vessel, and

ii. the amount of tax the qualified corporation is required to pay for the year or a preceding year in respect of the eligible vessel under Part III.10.1; and

(b) the aggregate of

i. the amount by which 20% of the cost of construction of the eligible vessel at the end of the year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister, under this section, by the qualified corporation in respect of the eligible vessel for a preceding taxation year, and

ii. the amount of tax the qualified corporation is required to pay for the year or a preceding year in respect of the eligible vessel under Part III.10.1.

For the purposes of subparagraph *b* of the first paragraph, the cost of construction, at the end of a taxation year, of an eligible vessel of a qualified corporation is equal to the aggregate of

(a) the amount by which, for the qualified corporation, the portion of the cost of construction of the eligible vessel incurred at the end of the year exceeds the aggregate of all amounts each of which is government assistance or non-government assistance, attributable to the cost of construction, that the corporation has received, is entitled to receive or can reasonably expect to receive at the time of the filing of its fiscal return for that year; and

(b) any repayment made by the corporation in the year or in a preceding taxation year, pursuant to a legal obligation to do so, of assistance referred to in subparagraph *a* in respect of the eligible vessel.

“1029.8.36.56. For the purposes of this division,

(a) a validation certificate revoked by the Minister of Industry, Trade, Science and Technology is null and void from the time the revocation becomes effective;

(b) no amount may be deemed to have been paid to the Minister by a qualified corporation under section 1029.8.36.55 in respect of an expenditure that would, but for this paragraph, be a construction expenditure included in a qualified construction expenditure of the qualified corporation in respect of an eligible vessel of the corporation in respect of which a validation certificate was issued by the Minister of Industry, Trade, Science and Technology if,

i. where the expenditure is referred to in any of paragraphs *b* to *d* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54, the expenditure was incurred before the date indicated to that effect on the validation certificate,

ii. where the expenditure was incurred after the date of issue of the validation certificate and is referred to in subparagraph i or ii of paragraph *a* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *b* or *c* of that definition, the certificate was not valid at the time the salaries or wages were incurred, or

iii. where the expenditure was incurred after the date of issue of the validation certificate and is referred to in subparagraph iii of paragraph *a* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *d* of that definition, the certificate was not valid at the time the work was carried out.

“1029.8.36.57. For the purposes of this division, the qualified construction expenditure of a qualified corporation in respect of an eligible vessel and the cost of construction to the corporation of that eligible vessel shall be reduced by the amount of the consideration for the disposition of property to the qualified corporation or a person with whom it does not deal at arm’s length, except to the extent that the consideration may reasonably be considered to relate to property resulting from work related to the construction of the eligible vessel or to property or part of a property consumed in connection with such work.

“1029.8.36.58. Where, in respect of a contract entered into for the construction of an eligible vessel, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage other than a benefit or advantage that may reasonably be attributed to the preparation of the plans and specifications relating to the vessel or to construction work on the vessel, whether in the form of a reimbursement, compensation, guarantee or the proceeds of disposition of property which exceed the fair market value of that property, or in any other form or manner, the amount of qualified construction expenditure of a qualified corporation

for a taxation year, in respect of the eligible vessel, and the cost of construction to the corporation of that eligible vessel for that year, shall be reduced by the amount of that benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain at the time of the filing of the qualified corporation's fiscal return for that taxation year.

“1029.8.36.59. For the purposes of this Part and the regulations, the amount that a qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.55 is deemed not to be assistance or an inducement received by the corporation from a government.”

(2) Subsection 1 applies in respect of expenditures incurred after 9 May 1996. However, where it applies in respect of an expenditure, other than an expenditure incurred after 22 November 1996 under the terms of a subcontract entered into after that date,

(1) section 1029.8.36.54 of the said Act, enacted by subsection 1, shall be read

(a) without reference, in the first paragraph, to the definition of “eligible contract” or to paragraphs *c* and *d* of the definition of “construction expenditure”;

(b) without reference, in paragraph *b* of the definition of “construction expenditure” in the first paragraph, to the words “in whole or in part”;

(c) as if the reference, in the second paragraph, to “paragraphs *b* and *c*” were a reference to “paragraph *b*”;

(2) paragraph *b* of section 1029.8.36.56 of the said Act, enacted by subsection 1, shall be read

(a) as if the reference, in subparagraph i, to “any of paragraphs *b* to *d*” were a reference to “paragraph *b*”;

(b) as if the reference, in subparagraph ii, to “paragraph *b* or *c*” were a reference to “paragraph *b*”;

(c) without reference, in subparagraph iii, to “or in paragraph *d* of that definition”.

235. (1) Section 1029.8.43 of the said Act, amended by section 158 of chapter 1 of the statutes of 1995 and replaced by section 196 of chapter 63 of the statutes of 1995, is again replaced by the following section:

“1029.8.43. The amount to which section 1029.8.40 refers in respect of an individual for a year is the aggregate of the following amounts:

(a) 3% of the excess, over the amount determined under section 1029.8.44 in respect of the individual for the year, of the amount by which the aggregate of the total income of the individual for the year and, where applicable, the total income for the year of his spouse during the year or, if the individual is living apart from his spouse at the end of the year because of the breakdown of their marriage, the total income of that spouse for the year during the marriage and while not so living apart from the individual, exceeds

i. \$8,590 if, during the year, the individual has a spouse and a dependent person,

ii. \$7,445 if the individual

(1) has a dependent person during the year, and

(2) throughout the year, has no spouse and ordinarily lives in a self-contained domestic establishment in which no person other than himself or his dependent person lives,

iii. \$6,410 if the individual is not contemplated in subparagraphs i and ii and has a dependent person during the year,

iv. \$4,000 if the individual

(1) has not reached 65 years of age before the end of the year, and

(2) throughout the year, has neither a spouse nor a dependent person and ordinarily lives in a self-contained domestic establishment in which no other person lives, or

v. \$0 in other cases;

(b) the aggregate of all amounts each of which is an amount received in the year by the individual and, where applicable, by his spouse during the year or, if the individual is living apart from his spouse at the end of the year because of the breakdown of their marriage, by the spouse during the marriage and while not so living apart from the individual, and provided for in section 10.2 or 16.2 of the Regulation respecting income security, enacted under section 91 of the Act respecting income security (chapter S-3.1.1).”

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

236. (1) Section 1029.8.44 of the said Act, amended by section 197 of chapter 63 of the statutes of 1995, is replaced by the following section:

“**1029.8.44.** The amount to which paragraph *a* of section 1029.8.43 refers in respect of an individual for a year is the aggregate of the following amounts:

(a) \$10,000 if the individual has reached 65 years of age before the end of the year;

(b) \$10,000 if the individual's spouse during the year has reached 65 years of age before the end of that year; and

(c) five times the total of the amounts deducted under sections 752.0.1 to 752.0.7 for the year by the individual and, where applicable, by the individual's spouse during the year, except the amounts deducted for the year under section 752.0.1, as a consequence of the application of paragraphs *i* and *j* of that section, and the amounts deducted for the year by the spouse under section 752.0.1, as a consequence of the application of paragraph *a* of that section, and under the first part of the portion of the section 752.0.1 before paragraph *a* thereof.

For the purposes of subparagraph *c* of the first paragraph, the amount deducted for the year by the individual under section 752.0.1, as a consequence of the application of paragraph *a* of that section, is deemed to be equal to the amount the individual would be entitled to deduct for the year under that paragraph, if the individual's spouse during the year had no income for that year."

(2) Subsection 1 applies from the taxation year 1996. In addition, where section 1029.8.44 of the said Act, replaced by subsection 1, applies to the taxation year 1995, the first paragraph thereof shall be read as if the reference therein to "section 1029.8.43" were a reference to "paragraph *a* of section 1029.8.43".

237. (1) Section 1029.8.68 of the said Act, enacted by section 162 of chapter 1 of the statutes of 1995, is amended by replacing "752.0.13" by "752.0.13.0.1".

(2) Subsection 1 applies from the taxation year 1997.

238. (1) Section 1029.8.69 of the said Act, enacted by section 162 of chapter 1 of the statutes of 1995, is amended

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

"(a) only if, where paragraph *a.1* does not apply, proof of payment of the amount is provided by filing with the Minister one or more receipts each of which was issued by the payee and contains, where the payee is an individual, the individual's social insurance number;"

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

"(a.1) only if, where the amount was paid to a person required, under the regulations made under section 1086, to file, in respect of that amount, an information return to the individual or the supporting person who paid the

amount, the individual attaches a copy of the information return to the fiscal return he is required to file for the year under section 1000, or would be so required to file if he had tax payable for the year under this Part;”;

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

“*i.* is not taken into account in computing the amount that is deemed to have been paid to the Minister by another individual under section 1029.8.79, and”.

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of amounts paid as child care expenses incurred for services rendered in taxation years that begin after 31 December 1995.

(3) Paragraph 3 of subsection 1 applies from the taxation year 1996.

239. (1) Section 1029.8.70 of the said Act, enacted by section 162 of chapter 1 of the statutes of 1995, is amended by adding, after subparagraph *iv* of subparagraph *b* of the second paragraph, the following subparagraph:

“*v.* a person who actively operated a business on a regular and continuous basis.”

(2) Subsection 1 applies from the taxation year 1996.

240. (1) Section 1029.8.71 of the said Act, enacted by section 162 of chapter 1 of the statutes of 1995, is replaced by the following section:

“**1029.8.71.** The amount of the qualified child care expenses of an individual for a taxation year shall not exceed the lesser of

(*a*) the amount by which

i. the total of \$5,000 per eligible child of the individual for the year who either is under seven years of age on 31 December of that year or would have been had he then been living, or is a person described in section 1029.8.76, and in respect of whom such expenses were incurred, and of \$3,000 for any other eligible child of the individual for the year in respect of whom such expenses were incurred, exceeds

ii. the aggregate of all amounts taken into account in computing the amount that another individual, in respect of whom section 1029.8.70 applies for the year, is deemed to have paid to the Minister for the year under section 1029.8.79 in respect of eligible children of the individual who are referred to in subparagraph *i*; and

(*b*) the earned income of the individual for the year.”

(2) Subsection 1 applies from the taxation year 1996.

241. (1) Section 1029.8.82 of the said Act, enacted by section 162 of chapter 1 of the statutes of 1995, is repealed.

(2) Subsection 1 applies from the taxation year 1996.

242. (1) Section 1029.8.94 of the said Act, enacted by section 209 of chapter 63 of the statutes of 1995, is amended by replacing, in the first paragraph, “section 1029.8.95 or 1029.8.96, as the case may be” by “section 1029.8.96”.

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

243. (1) Section 1029.8.95 of the said Act, enacted by section 209 of chapter 63 of the statutes of 1995, is repealed.

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

244. (1) Section 1029.8.99 of the said Act, enacted by section 209 of chapter 63 of the statutes of 1995, is replaced by the following section:

“**1029.8.99.** An individual shall not be deemed to have paid to the Minister an amount under section 1029.8.94 for a taxation year in respect of an eligible housing unit acquired by the individual unless the individual files with the Minister, together with the fiscal return he is required to file under section 1000 for the year, or that he would be required to so file if tax were payable by the individual for the year under this Part, the prescribed form sent to him in respect of the eligible housing unit by the participating municipality that issued the valid certificate in respect of the unit.”

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

245. Section 1029.14 of the said Act is amended by inserting, in the English text of the portion before paragraph *a* and after the words “as partial payment of his”, the word “tax”.

246. Section 1038 of the said Act, amended by section 171 of chapter 1 of the statutes of 1995, by section 230 of chapter 49 of the statutes of 1995, by section 212 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing, in the English text of the portion of the third paragraph before subparagraph *a*, the words “latter paragraph” by the words “latter section”.

247. Section 1039 of the said Act is amended by replacing, in the English text of the first paragraph, the words “non-resident person” by the words “person not resident in Canada”.

248. Section 1045 of the said Act is amended by striking out, in the English text of the first paragraph, the words “, when the taxpayer is not an individual,”.

249. (1) Section 1049.6 of the said Act, amended by section 63 of chapter 3 of the statutes of 1997, is again amended

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

“**1049.6.** Every qualified corporation, within the meaning of the Act respecting Québec business investment companies (chapter S-29.1), is liable to a penalty equal to 30% of the amount of a qualified investment made by a Québec business investment company in the qualified corporation, where the qualified corporation uses funds, during the 24 months following the date of that qualified investment and without the approval of the Société de développement industriel du Québec, to”;

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

“(e) purchase or acquire shares of other corporations or all or substantially all of the assets of a business;”.

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

250. (1) Section 1049.9 of the said Act, replaced by section 64 of chapter 3 of the statutes of 1997, is amended, in the English text, by replacing “subparagraph 4 of the first paragraph of section 16” by “paragraph 4 of section 16”.

(2) Subsection 1 has effect from 17 May 1989.

251. (1) Section 1049.10 of the said Act is amended by replacing “during the 24 months following” by “during the 60 months following”.

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

252. (1) Section 1049.10.1 of the said Act, replaced by section 64 of chapter 3 of the statutes of 1997, is again replaced by the following section :

“**1049.10.1.** Where a qualified corporation, within the meaning of the Act respecting Québec business investment companies (chapter S-29.1), makes a considerable cash outflow to acquire all or substantially all of the assets of a corporation a shareholder of which is also a shareholder of a Québec business investment company or a person related to any such shareholder during the 24 months preceding the date of a qualified investment in the qualified corporation made by the Québec business investment company or during the 60 months following the date of such an investment, without the approval of the Société de développement industriel du Québec, the qualified corporation is liable to a penalty equal to 30% of the amount of the cash outflow, but not in excess of 30% of the amount of the investment.”

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

253. (1) Sections 1049.11.1.1 and 1049.11.1.2 of the said Act are amended

(1) by striking out, in the French text, the words “du premier alinéa”;

(2) by replacing, in the English text, the word “subparagraph” by the word “paragraph”.

(2) Subsection 1 has effect from 17 May 1989.

254. (1) Section 1049.15 of the said Act, amended by section 217 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the first and second paragraphs by the following paragraphs:

“**1049.15.** Where the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1) purchases a class “A” share by agreement under section 8 of that Act, it is liable to a penalty equal to 15% of the amount paid for the share by the first purchaser or, where the amount paid by the first purchaser relates to such a share purchased by him before 10 May 1996, to 20% of that amount.

Similarly, where the corporation governed by the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi (1995, chapter 48) purchases a class “A” share by agreement under section 9 of that Act, it is liable to a penalty equal to 15% of the amount paid by the first purchaser for the share or for the class “B” share that was exchanged for the class “A” share under section 8 of that Act or, where the amount paid by the first purchaser relates to such a share purchased by him before 10 May 1996, to 20% of that amount.”

(2) Subsection 1 applies from the taxation year 1996.

255. (1) Sections 1049.29 to 1049.31 of the said Act are repealed.

(2) Subsection 1 has effect from 9 May 1996.

256. (1) Section 1063 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995, is again amended

(1) by replacing, in the portion before paragraph *a*, the words “an amateur athletic association” by the words “a Canadian amateur athletic association”;

(2) by striking out, in the French text of paragraph *f*, “, société”.

(2) Paragraph 2 of subsection 1 has effect from 20 March 1997.

257. Section 1064 of the said Act is amended by replacing the words “by registered mail” by the words “by registered or certified mail”.

258. Section 1066 of the said Act, amended by section 225 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by adding, in the English text, at the end of the portion before subparagraph *a* of the first paragraph, the words “after either”.

259. Section 1069 of the said Act, amended by section 9 of chapter 36 of the statutes of 1995, by section 236 of chapter 49 of the statutes of 1995, by section 7 of chapter 31 of the statutes of 1996 and by section 256 of chapter 39 of the statutes of 1996, is again amended by replacing, in subparagraph *a* of the first paragraph, the words “amateur athletic association” by the words “Canadian amateur athletic association”.

260. Section 1086.4 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995 and by section 261 of chapter 63 of the statutes of 1995, is replaced by the following section:

“**1086.4.** Except where inconsistent with this Part, the second paragraph of section 87.4, subsection 2 of section 333.2, the second paragraph of section 421.8 and sections 485.48, 929.1, 1000 to 1026.2 and 1034 to 1079.16 apply to this Part, with the necessary modifications.”

261. (1) Section 1090.1 of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing the words “this Act” by the words “this Part”.

(2) Subsection 1 applies from the taxation year 1996.

262. Section 1122 of the said Act, amended by section 268 of chapter 39 of the statutes of 1996 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph *i* of paragraph *b* by the following subparagraph:

“*i.* the ownership of or trading in bonds, shares, debentures, bills, notes, obligations secured by mortgage or other similar property, or an interest therein;”.

263. (1) Section 1129.2 of the said Act, amended by section 50 of chapter 21 of the statutes of 1994, by section 199 of chapter 1 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

(1) by replacing, in the French text of subparagraph *i* of subparagraph *a*, the word “émise” and, wherever it appears, the word “émis” respectively by the words “rendue” and “délivré”;

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

“i. 40% of the lesser, for the corporation, of the following amounts:”;

(3) by adding, after subparagraph *c*, the following subparagraph:

“(d) where the situations described in subparagraphs i and ii of subparagraph *a* are not encountered in the particular year in respect of the property nor have been in any preceding taxation year and the property is property described in the fourth paragraph of section 1029.8.35, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, under that section, in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of

i. the amount by which 40% of the amount determined for the particular year in respect of the property under subparagraph i of paragraph *b* of the definition of “qualified manpower expenditure” in the first paragraph of section 1029.8.34, exceeds the amount of any assistance, attributable to the production costs of the property referred to in that subparagraph i for the particular year, that the corporation has received or is entitled to receive from the Société de développement des entreprises culturelles in respect of the property, under the production assistance programmes of the Société de développement des entreprises culturelles in force before 1 April 1996, at the time of the filing of its fiscal return for the particular year and that it has not repaid at that time pursuant to a legal obligation to do so, and

ii. the aggregate of all amounts each of which is tax the corporation is required to pay under this Part, in respect of the property, for the particular year or a preceding taxation year by reason of subparagraph *b* or *c* or for any taxation year preceding the particular year by reason of this subparagraph.”

(2) Paragraph 2 of subsection 1 has effect from 9 May 1996.

(3) Paragraph 3 of subsection 1 has effect from 10 May 1995.

264. (1) The said Act is amended by inserting, after section 1129.4, the following:

“PART III.1.1

“SPECIAL TAX RELATING TO CREDIT FOR MULTIMEDIA TITLES

“1129.4.1. In this Part, unless the context indicates otherwise,

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

“government assistance” has the meaning assigned by section 1029.8.36.0.1 ;

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

“Minister” means the Minister of Revenue ;

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

“non-government assistance” has the meaning assigned by section 1029.8.36.0.1 ;

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

“taxation year” has the meaning assigned by Part I.

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

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

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

(c) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year, and the Société de développement des entreprises culturelles revokes in the particular year the part of the certificate it issued to the corporation in respect of the property attesting that the multimedia title is both available in French and intended for the consumer market, the amount by which the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister under paragraph *b* of section 1029.8.36.0.2 in respect of the property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is the portion of tax the corporation is required to pay under this Part, otherwise than under this subparagraph, for the particular year or a preceding taxation year and that is attributable to an amount the corporation is deemed to have so paid to the Minister in respect of the property under paragraph *b* of that section 1029.8.36.0.2 for a taxation year preceding the particular year;

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

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

(f) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year and, for the particular year and in respect of the property, the amount determined under subparagraph ii of

paragraph *a* of the definition of “qualified manpower expenditure” in the first paragraph of section 1029.8.36.0.1 exceeds the aggregate determined under subparagraph *i* of paragraph *a* of that definition, an amount equal to the aggregate of

i. the lesser of

(1) 20% of that excess amount, and

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

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

(1) the amount determined in subparagraph 1 of subparagraph *i*, and

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

(g) where subparagraph *a* does not apply, in the particular year in respect of the property or in any preceding taxation year, and the particular year is subsequent to the taxation year in which the final certificate in respect of the property is issued to the corporation by the Société de développement des entreprises culturelles, the corporation has received, is entitled to receive, or may reasonably expect to receive at the time of filing its fiscal return for the particular year under Part I in respect of the property any government assistance or non-government assistance attributable, as manpower expenditure, production costs or both, to a qualified manpower expenditure of the corporation in a taxation year preceding the particular year and which, had that assistance been received in the preceding year, would have been taken into account in computing the qualified manpower expenditure and, because of that assistance,

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

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

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

“1129.4.3. Except where inconsistent with this Part, section 21.25, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.”

(2) Subsection 1 applies in respect of a multimedia title in respect of which the Société de développement des entreprises culturelles issues a certificate after 9 May 1996.

265. Section 1129.20 of the said Act is amended, in the English text, by replacing, in paragraph *c* of the definition of “eligible entity”, “1029.21” by “1129.21”.

266. (1) The said Act is amended by inserting, after section 1129.23, the following :

“PART III.5.1

“SPECIAL TAX RELATING TO RECOGNIZED ARTS ORGANIZATIONS

“1129.23.1. In this Part,

“Minister” means the Minister of Revenue ;

“recognized arts organization” has the meaning assigned by section 1 ;

“taxation year” means a taxation year for the purposes of Chapter III.3 of Title I of Book VIII of Part I.

“1129.23.2. A recognized arts organization that fails to comply with the requirement of section 985.28 in its respect for a taxation year shall pay for that year tax equal to the minimum additional amount it would have been required to expend in the year to comply with that requirement.

“1129.23.3. Where a recognized arts organization is required to pay tax for a taxation year under this Part, it shall, within six months after the end of the year,

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

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

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

“1129.23.4. Except where inconsistent with this Part, sections 1001, 1002, 1005 to 1024 and 1031 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies to taxation years that begin after 9 May 1996.

267. (1) The said Act is amended by inserting, after section 1129.45, enacted by section 191 of chapter 1 of the statutes of 1995, the following :

“PART III.10.1**“SPECIAL TAX RELATING TO THE CONSTRUCTION OF VESSELS**

“1129.45.1. In this Part, unless the context indicates otherwise,

“construction expenditure” has the meaning assigned by Division II.6.5 of Chapter III.1 of Title III of Book IX of Part I;

“eligible vessel” has the meaning assigned by Division II.6.5 of Chapter III.1 of Title III of Book IX of Part I;

“Minister” means the Minister of Revenue ;

“qualified construction expenditure” has the meaning assigned by Division II.6.5 of Chapter III.1 of Title III of Book IX of Part I;

“taxation year” has the meaning assigned by Part I.

“1129.45.2. Every corporation which is deemed to have paid to the Minister, under Division II.6.5 of Chapter III.1 of Title III of Book IX of Part I, an amount as partial payment of its tax payable under that Part for a taxation year shall, where, during a particular taxation year, a particular amount relating to an eligible vessel in respect of which the corporation is so deemed to have paid an amount that relates to an expenditure included in a qualified construction expenditure in respect of the eligible vessel or in the cost of the construction of the eligible vessel, is, in whole or in part, directly or indirectly refunded to the corporation or allocated to a payment to be made by the corporation, pay for that particular year, tax equal to 40% of the amount so refunded or allocated.

“1129.45.3. Except where inconsistent with this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply, with the necessary modifications, to this Part.”

(2) Subsection 1 applies in respect of expenditures incurred after 9 May 1996.

268. (1) The said Act is amended by inserting, after section 1129.54, enacted by section 270 of chapter 39 of the statutes of 1996, the following :

“PART III.13**“SPECIAL TAX RELATING TO THE FINANCING OF A UNIVERSITY RESEARCH CONTRACT**

“1129.55. In this Part,

“eligible university entity” has the meaning assigned by paragraph *f* of section 1029.8.1;

“Minister” means the Minister of Revenue;

“qualified expenditure” has the meaning assigned by paragraph *d.1* of section 1029.8.1;

“scientific research and experimental development” means scientific research and experimental development within the meaning of the regulations under section 222;

“taxation year” has the meaning assigned by Part I;

“university foundation” has the meaning assigned by paragraph *f.1* of section 1029.8.1;

“university research contract” has the meaning assigned by paragraph *b* of section 1029.8.1.

“1129.56. A university foundation that has become surety for a corporation in respect of the payment of amounts used for the financing of scientific research and experimental development provided for in a university research contract entered into between the corporation and an eligible university entity and that pays, for the first time, an amount under the suretyship shall pay, for its taxation year that includes the day that is two years following the day of that payment, tax equal to the amount determined by the formula

$$50\% (A - B).$$

For the purposes of the formula in the first paragraph,

(*a*) A is the aggregate of all amounts each of which is an amount the corporation is deemed to have paid to the Minister, under section 1029.8.6, as partial payment of its tax payable pursuant to Part I for a taxation year in respect of the amount of a qualified expenditure paid by the corporation to an eligible university entity as part of the university research contract;

(*b*) B is the aggregate of all amounts each of which is an amount the corporation would be deemed to have paid to the Minister, under the said section 1029.8.6, as partial payment of its tax payable pursuant to Part I for a taxation year if the aggregate of all amounts each of which is the amount of a

qualified expenditure paid as part of the contract were reduced by the amount furnished under the suretyship.

However, the amount of tax determined under the first paragraph shall be reduced by the proportion of that amount that the portion of the amount that the university foundation was required to pay under the suretyship and that was repaid to it by the corporation is of the amount that the university foundation was required to pay under the suretyship.

“1129.57. Where a university foundation is required to pay tax under this Part for a taxation year, it shall, within 60 days after the end of the year,

(a) send to the Minister, without notice or demand therefor, a return under this Part for the year in prescribed form;

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

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

“1129.58. Except where inconsistent with this Part, sections 1001, 1002 and 1037, Titles II, V, VI and VII of Book IX of Part I and Book X of that Part apply, with the necessary modifications, to this Part.”

(2) Subsection 1 applies to university research contracts entered into after 9 May 1996.

269. (1) Section 1130 of the said Act, amended by section 192 of chapter 1 of the statutes of 1995, by section 237 of chapter 63 of the statutes of 1995, by section 271 of chapter 39 of the statutes of 1996 and by section 66 of chapter 3 of the statutes of 1997, is again amended

(1) by inserting the following definition, which is to be ordered alphabetically:

““specified shareholder” means a specified shareholder within the meaning of section 1;”;

(2) by inserting the following definitions, which are to be ordered alphabetically:

““government assistance” means assistance from a government, municipality or other public authority, whether as a grant, subsidy, forgivable loan, deduction from tax, investment allowance or as any other form of assistance;

““non-government assistance” means an amount that would be included in computing the individual’s income by reason of paragraph *w* of section 87, if that paragraph were read without reference to subparagraphs ii and iii thereof;”;

(3) by replacing the definition of “taxation year” by the following definition :

““taxation year” means a taxation year within the meaning assigned by Part I;” ;

(4) by inserting the following definition, which is to be ordered alphabetically:

““savings and credit union” means a savings and credit union within the meaning assigned by section 797;” ;

(5) by inserting the following definitions which are to be ordered alphabetically:

““eligible acquisition costs” incurred by a corporation, for a taxation year, in respect of an eligible vessel of the corporation means the amount of an expenditure, other than an expenditure incurred and payable to a person with whom the corporation or a specified shareholder of the corporation does not deal at arm’s length, that is related to a business operated in the year by the corporation in Québec and that is,

(a) if the taxation year is a year, other than a year referred to in paragraph *b*, during which construction work was carried out in respect of the eligible vessel pursuant to the contract, and where the construction work may reasonably be considered to have been carried out without undue delay since it was undertaken, the portion of the consideration provided for in the written contract for the construction of the eligible vessel that was paid by the corporation to the builder in the year or a preceding taxation year and that may reasonably be attributed to the construction work carried out in respect of the vessel before the end of that year; or

(b) if the taxation year is the year during which the corporation takes delivery, under the terms of the contract, of the eligible vessel, or is any of the four taxation years subsequent to that year, the cost of the vessel to the corporation as shown in its financial statements;” ;

““fiscal period” means a fiscal period within the meaning assigned by Part I;

(6) by striking out the definition of “Act establishing a labour-sponsored fund” ;

(7) by inserting the following definition, which is to be ordered alphabetically:

““eligible vessel” of a corporation means a vessel constructed for the corporation, under the terms of a written contract, in respect of which a certificate is issued by the Minister of Industry, Trade, Science and Technology

attesting that the vessel was constructed in Québec, that it is intended for navigation in international waters and that the corporation is the first acquirer thereof;”;

(8) by adding, after paragraph *b* of the definition of “long-term debt”, the following paragraph:

“(c) in the case of a savings and credit union, its subordinated indebtedness, within the meaning that would be assigned by section 2 of the Cooperative Credit Associations Act (Statutes of Canada, 1991, chapter 48) if the definition of that expression were applied with the necessary modifications, contracted for a term of not less than five years;”;

(9) by inserting the following definition, which is to be ordered alphabetically:

““person” means a person within the meaning assigned by section 1;”.

(2) Paragraphs 1, 2, 5, except where it enacts the definition of “fiscal period”, and 7 of subsection 1 apply in respect of eligible acquisition costs incurred after 9 May 1996.

(3) Paragraphs 3, 4, 5, where it enacts the definition of “fiscal period”, 6, 8 and 9 of subsection 1 apply to taxation years that end after 9 May 1996.

270. (1) Section 1132 of the said Act, amended by section 239 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“(a) in the case of a bank, a savings and credit union, a loan corporation, a trust corporation or a corporation trading in securities, to 1.28% of its paid-up capital;”;

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

“(c) in the case of any other corporation, except a corporation that is an insurer within the meaning assigned by the Act respecting insurance (chapter A-32) or a cooperative governed by the Cooperatives Act (chapter C-67.2), to 0.64% of its paid-up capital.”;

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

“Notwithstanding subparagraph *a* of the first paragraph, the tax payable by a savings and credit union for a taxation year that begins before 10 May 1996

and ends after 9 May 1996 is equal to such proportion of its tax that would, but for this paragraph, be payable for that year under subparagraph *a* of the first paragraph as the number of days in the year after 9 May 1996 is of the number of days in the year.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996, except where it strikes out the words “or a cooperative syndicate governed by the Cooperative Syndicates Act (chapter S-38)” in subparagraph *c* of the first paragraph of section 1132 of the said Act, in which case it has effect from 1 June 1995.

271. (1) Section 1135 of the said Act, replaced by section 240 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again replaced by the following section :

“**1135.** In no case may the tax payable by a corporation other than a farming corporation, a corporation whose activities consist mainly in carrying on a fishing business, a corporation that operates only an international financial centre or a tax-exempt corporation under sections 1143 and 1144, be less than \$250 nor may the tax payable by a farming corporation or a corporation whose activities consist mainly in carrying on a fishing business be less than \$125.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

272. (1) The heading of Title I of Book III of Part IV of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following heading :

“CORPORATIONS OTHER THAN BANKS, SAVINGS AND CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS AND CORPORATIONS TRADING IN SECURITIES”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

273. (1) Section 1136 of the said Act, amended by section 241 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by replacing subparagraph *c* of subsection 1 by the following subparagraph :

“(c) a debt contracted or assumed by it, the payment of which is secured, in part or in whole, by a property of the corporation, other than a debt contracted or assumed by the corporation within the preceding six months and that is a trade account payable as consideration for the acquisition of a good or the supply of a service, or a tax payable in connection with the acquisition of a good or the supply of a service where the acquisition or supply gave rise to a trade account payable or would give rise to a trade account payable if the consideration for the acquisition or supply were unpaid;”.

(2) Subsection 1 has effect from 22 May 1997. In addition, subparagraph *c* of subsection 1 of section 1136 of the said Act, replaced by subsection 1, is amended

(1) as a declaratory amendment to replace the word “secured” by the words “secured, in part or in whole”, except in respect of cases pending on 7 September 1995 and notices of objection served on the Minister of Revenue on or before that date, in which a ground in the dispute concerning the manner of computing paid-up capital on that date, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, concerns the inclusion in the computation, by virtue of subparagraph *c* of section 1136, of an amount in respect of a secured debt greater than the value of the guarantee ;

(2) where it applies to a taxation year that begins after 9 May 1996, to insert, in the text as amended pursuant to paragraph 1, after “by it,” “other than a debt contracted or assumed by the corporation within the preceding six months and that is a trade account payable as consideration for the acquisition of a good or the supply of a service, or a tax payable relating to the acquisition of a good or the supply of a service to the extent that the acquisition or supply gave rise to a trade account payable or would give rise to a trade account payable if the consideration for the acquisition or supply were unpaid;”.

274. (1) Section 1137 of the said Act, amended by section 242 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by inserting, after paragraph *b.1*, the following paragraph :

“(b.2) where it holds, at the end of the taxation year, in respect of an eligible vessel, a valid certificate issued by the Minister of Industry, Trade, Science and Technology, where the taxation year is a year during which construction work was carried out in respect of the vessel pursuant to the contract for the construction thereof, the year in which the corporation takes delivery of the vessel, under the terms of the contract, or any of the four taxation years subsequent to that year, and where it encloses with its fiscal return it is required to file for the year under section 1000, by reason of section 1145, a copy of that certificate, the aggregate of

i. the amount by which its eligible acquisition costs for the year in respect of the eligible vessel exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such costs, that the corporation has received, is entitled to receive or can reasonably expect to receive at the time of filing the fiscal return for that year, and

ii. the aggregate of all amounts each of which is an amount paid by the corporation in the year, or in a preceding taxation year, as a repayment of assistance referred to in subparagraph *i* ;”.

(2) Subsection 1 applies in respect of eligible acquisition costs incurred after 9 May 1996.

275. (1) The said Act is amended by inserting, after section 1137, the following section :

“**1137.1.** For the purposes of paragraph *b.2* of section 1137,

(*a*) a certificate revoked by the Minister of Industry, Trade, Science and Technology is deemed to be null and void from the time the revocation becomes effective;

(*b*) an amount is deemed to be paid by a corporation at a particular time as a reimbursement of assistance where that amount

i. was applied, because of subparagraph *i* of paragraph *b.2* of section 1137, in reduction of the amount deductible by a corporation in computing its paid-up capital for a taxation year,

ii. was not received by the corporation, and

iii. ceased, at the particular time, to be an amount that the corporation can reasonably expect to receive.”

(2) Subsection 1 applies in respect of eligible acquisition costs incurred after 9 May 1996.

276. (1) Section 1138 of the said Act, amended by section 194 of chapter 1 of the statutes of 1995, by section 243 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by inserting, after subsection 2.1, the following subsections :

“(2.1.0.1) For the purposes of this section,

(*a*) a debt that, but for this paragraph, would be a loan or an advance to a corporation, a partnership or a joint venture, is deemed not to be such a loan or such an advance, in a taxation year, where it has been substituted for a debt that was not, immediately before the substitution, such a loan or such an advance and where, in that year, the creditor and the debtor of the debt are associated corporations, in the case where the creditor and the debtor are corporations, or do not deal at arm’s length, in the other cases;

(*b*) a debt that, but for this paragraph, would be a loan or an advance is deemed not to be such a loan or such an advance, in a taxation year, where

i. the debt was acquired, in the year or in a preceding taxation year, by a person, a partnership or a joint venture, called “acquirer” in this paragraph, from a person, partnership or joint venture, called “assignor” in this paragraph,

and the acquirer and assignor are associated at the time of the acquisition, in the case where the acquirer and the assignor are corporations, or do not deal at arm's length at that time, in the other cases,

ii. the debt is a debt that, before its disposition by the assignor, was substituted for a debt that was not, immediately before the substitution, a loan or an advance to a corporation, a partnership or a joint venture and in respect of which, at the time of the substitution, the creditor and debtor were associated corporations, in the case where the creditor and the debtor are corporations, or did not deal at arm's length, in the other cases, and

iii. in the taxation year, the acquirer and debtor are associated corporations, in the case where the acquirer and the debtor are corporations, or do not deal at arm's length in the other cases.

“(2.1.0.2) For the purposes of this subsection and subsection 2.1.0.1,

(a) where an acquirer, within the meaning of subparagraph i of paragraph *b* of subsection 2.1.0.1, acquires a debt from a particular assignor that is an assignor within the meaning of that subparagraph i and had itself acquired the debt from another such assignor to which it was associated, in the case where the assignors are corporations, or with which it did not deal at arm's length, in the other cases, the acquirer is deemed to acquire the debt from the other assignor at the time at which the particular assignor had acquired the debt from the other assignor and to be associated at that time with the other assignor, in the case where the acquirer and the other assignor are corporations, or not to deal at arm's length at that time with the other assignor, in the other cases;

(b) two corporations are associated with each other if they are associated within the meaning of Chapter IX of Title II of Book I of Part I;

(c) to determine whether a partnership or a joint venture does not, at a particular time, deal at arm's length with a person, another partnership or another joint venture, each partnership or joint venture is deemed to be, at that particular time and for the purposes of sections 17 to 21, a person.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

277. (1) Section 1138.3 of the said Act is repealed.

(2) Subsection 1 applies to taxation years that begin after 9 May 1996. In addition, where section 1138.3 of the said Act, repealed by subsection 1, applies to a taxation year of a corporation that begins before 10 May 1996 and ends after 9 May 1996, it shall be read as follows:

“**1138.3.** The paid-up capital, for a taxation year beginning before 10 May 1996 and ending after 9 May 1996, of a corporation governed by an

Act establishing a labour-sponsored fund is reduced by an amount equal to the proportion of its paid-up capital for that year, computed without reference to this section, that the number of days in the taxation year is of the number of days in that year before 10 May 1996.”

278. (1) The heading of Title II of Book III of Part IV of the said Act, amended by section 71 of chapter 3 of the statutes of 1997, is replaced by the following heading :

“BANKS, SAVINGS AND CREDIT UNIONS, LOAN CORPORATIONS, TRUST CORPORATIONS AND CORPORATIONS TRADING IN SECURITIES”.

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

279. (1) Section 1141.2.1 of the said Act, replaced by section 251 of chapter 63 of the statutes of 1995 and amended by section 71 of chapter 3 of the statutes of 1997, is again amended

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

“**1141.2.1.** Every corporation contemplated in section 1140, 1141 or 1141.1 may, in computing its paid-up capital for a taxation year, deduct the aggregate of the following amounts:”;

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

“(b) the amount determined for the year in respect of the corporation according to the formula

$$\frac{A}{B} \times C.”;$$

(3) by adding the following paragraphs:

“For the purposes of the formula in subparagraph *b* of the first paragraph:

(a) A is the total of all amounts each of which is the value, at the end of the taxation year, of the asset of the corporation that is a share of the capital stock or the long-term debt of another corporation contemplated in this Title to which the corporation is related;

(b) B is the ratio between the business carried on in Québec by the corporation in the year and the total business carried on by the corporation in Québec and elsewhere in the year;

(c) C is the ratio between the business carried on in Québec by the other corporation in its taxation year ending in the year of the corporation and the

total business carried on in Québec and elsewhere by the other corporation in that taxation year.

In the second paragraph, the ratio between the business carried on in Québec and the total business carried on in Québec and elsewhere in respect of a corporation means the ratio determined by regulation made under subsection 2 of section 771.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

280. (1) The said Act is amended by inserting, after section 1141.2.1, the following sections :

“1141.2.2. In this Part, the paid-up capital of a savings and credit union includes

(a) issued permanent shares and any issued participating interest in the nature of a permanent share ; and

(b) the long-term debt used to compute the ratio of its capital base in accordance with the Savings and Credit Unions Act (chapter C-4.1).

“1141.2.3. A savings and credit union shall also include, in computing its paid-up capital for a taxation year, an amount equal to 50% of the total of all amounts each of which is the value at the end of the year of an asset of the savings and credit union, other than property held by the savings and credit union primarily for the purpose of resale that was acquired by it in the year or in the preceding taxation year as a consequence of another person’s default, or anticipated default, in respect of a debt owed to the savings and credit union, that is tangible property used by the savings and credit union.

“1141.2.4. A savings and credit union may deduct in computing its paid-up capital for a taxation year an amount of \$300,000.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

281. (1) Section 1143 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended by inserting, after the first paragraph, the following paragraph :

“The same applies to the Corporation de fonds de sécurité de la Confédération Desjardins, a corporation incorporated under the Act respecting security fund corporations (chapter C-69.1), and to Aéroports de Montréal, a corporation incorporated under Part II of the Canada Corporations Act (Revised Statutes of Canada, 1970, chapter C-32), if the requirements of paragraphs *a* and *b* of subsection 1 of section 8 of the Airport Transfer (Miscellaneous Matters) Act (Statutes of Canada, 1992, chapter 5) are met in respect of the latter corporation for the taxation year.”

(2) Subsection 1 applies from the taxation year 1980. However, where the second paragraph of section 1143 of the said Act, enacted by subsection 1, applies before the taxation year 1990, it shall be read as follows:

“The same applies to the Corporation de fonds de sécurité de la Confédération Desjardins, a corporation incorporated under the Act respecting security fund corporations (chapter C-69.1).”

282. (1) Section 1145 of the said Act, amended by section 236 of chapter 49 of the statutes of 1995 and by section 261 of chapter 63 of the statutes of 1995, is replaced by the following section:

“**1145.** Except where inconsistent herewith, sections 6, 17 to 21, 1000 to 1028 and 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies to taxation years that end after 9 May 1996.

283. (1) The heading of Book I of Part IV.1 of the said Act is replaced by the following heading:

“INTERPRETATION”.

(2) Subsection 1 applies to taxation years that end after 30 June 1992.

284. (1) The said Act is amended by inserting, after section 1159.1, the following section:

“**1159.1.1.** For the purposes of the definition of “amount paid as wages” in section 1159.1,

(a) an employee who reports for work at an establishment of the financial institution that pays his wages,

i. in respect of wages that are not described in subparagraph ii, means an employee who reports for work at that establishment for his regular pay period to which the wages relate, and

ii. in respect of wages paid as a premium, an increase with retroactive effect or a vacation pay, or paid to a trust or to a depository in respect of the employee, that is deemed to be paid under the second paragraph of section 979.3 or that does not relate to a regular pay period of the employee, means an employee who ordinarily reports for work at that establishment;

(b) where, during a regular pay period of an employee, the employee reports for work at an establishment of the financial institution situated in Québec and at an establishment of the financial institution situated outside Québec, the employee is deemed for that period, in respect of wages that are not described in subparagraph ii of paragraph a,

i. except where subparagraph ii applies, to report for work only at the establishment situated in Québec, and

ii. to report for work only at the establishment situated outside Québec where, during that period, he reports for work mainly at such an establishment of the financial institution; and

(c) where an employee ordinarily reports for work at an establishment of the financial institution situated in Québec and at an establishment of the financial institution situated outside Québec, the employee is deemed, in respect of the wages described in subparagraph ii of paragraph a, to report for work only at the establishment situated in Québec.”

(2) Subsection 1 applies to taxation years that end after 30 June 1992. However, it does not apply in respect of judgments rendered before 10 August 1995, nor in respect of cases pending on 9 August 1995 and notices of objection served on the Minister of Revenue on or before that date, where one of the issues in dispute on that date concerns the manner of computing the compensation tax payable pursuant to section 1159.2 of the said Act and where the grounds, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, allege that the financial institution is not subject to pay such a tax in respect of the wages paid to one of its employees for the period during which the employee reports for work at one of its establishments situated outside Québec.

285. (1) Section 1166 of the said Act, amended by section 196 of chapter 1 of the statutes of 1995 and by section 68 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph,

(1) by replacing, in the definition of “taxation year” and of “fiscal period”, “section 1” by “Part I”;

(2) by replacing the definition of “insurance corporation” by the following definition:

““insurance corporation” means an insurer, within the meaning given to that expression by the Act respecting insurance (chapter A-32), and includes any person, trust, association or group of persons administering an uninsured employee benefit plan or paying any amount into a fund of an uninsured employee benefit plan;”.

(2) Paragraph 1 of subsection 1 applies to taxation years that end after 9 May 1996.

(3) Paragraph 2 of subsection 1 applies to taxation years that begin after 20 December 1995.

286. (1) The said Act is amended by inserting, after section 1175, the following :

“PART VI.1

“TAX ON CAPITAL OF LIFE INSURERS

“BOOK I

“INTERPRETATION

“1175.1. In this Part,

“amount” has the meaning assigned by section 1 ;

“Canadian reserve liabilities” has the meaning assigned by the regulations under section 818 ;

“carrying on business in Québec” has the meaning assigned by section 1166 ;

“foreign insurance subsidiary” of a life insurer, at a particular time, means a corporation not resident in Canada that

(a) carried on a life insurance business throughout its last taxation year ending at or before the particular time and did not carry on a life insurance business in Canada at any time in that taxation year ; and

(b) is at the particular time

i. a subsidiary of the life insurer, and

ii. not a subsidiary of any corporation that is resident in Canada, carried on a life insurance business in Canada at any time in its last taxation year ending at or before the particular time and is a subsidiary of the life insurer ;

“life insurer” has the meaning assigned by section 1 ;

“long-term debt” of a life insurer or of a foreign insurance subsidiary means its subordinated indebtedness, within the meaning assigned by subsection 1 of section 2 of the Insurance Companies Act (Statutes of Canada, 1991, chapter 47), evidenced by obligations issued for a term of not less than five years ;

“Minister” means the Minister of Revenue ;

“reserves”, in respect of a life insurer for a taxation year, means the amount at the end of the year of all of the life insurer’s reserves, provisions and allowances, other than allowances in respect of depreciation or depletion, and includes any provision in respect of deferred taxes ;

“subsidiary” of a corporation, in this definition referred to as the “parent corporation”, means a corporation not less than 90% of the issued and outstanding shares of each class of the capital stock of which belong to

- (a) the parent corporation;
- (b) a corporation that is a subsidiary of the parent corporation; or
- (c) any combination of corporations each of which is a corporation described in paragraph *a* or *b*;

“Superintendent of Financial Institutions” has the meaning assigned by section 835;

“taxation year” has the meaning assigned by Part I;

“total reserve liabilities” has the meaning assigned by the regulations under section 818.

“1175.2. For the purpose of determining any amount under this Part in respect of a corporation’s capital, taxable capital, taxable capital employed in Québec or taxable capital employed in Canada,

(a) the equity and consolidation methods of accounting shall not be used; and

(b) subject to paragraph *a* and except as otherwise provided in this Part, the amounts that shall be used are the amounts shown on the balance sheet

i. presented to the shareholders of the corporation, in the case of a corporation other than a life insurer to which subparagraph ii applies or, where such a balance sheet was not prepared in accordance with generally accepted accounting principles or no such balance sheet was prepared, the amounts that would be shown if such a balance sheet had been prepared in accordance with generally accepted accounting principles, or

ii. accepted by the Superintendent of Financial Institutions, in the case of a life insurer that is required to report to the Superintendent of Financial Institutions.

“1175.3. A corporation that has already included or deducted an amount directly or indirectly in computing its capital, taxable capital, taxable capital employed in Québec or taxable capital employed in Canada for a taxation year is not required to include such amount again, or authorized, as the case may be, to deduct it again, either directly or indirectly, unless this Part expressly obliges or authorizes it to do so, or contains words that necessarily imply such obligation or authorization.

“BOOK II**“LIABILITY FOR AND AMOUNT OF TAX**

“1175.4. Every life insurer that carries on business in Québec at any time in a taxation year shall pay a tax for the taxation year equal to the product obtained by multiplying 1.25% of its taxable capital employed in Québec by the proportion that the number of days in the taxation year after 9 May 1996 is of 365.

“1175.5. A life insurer may deduct from its tax otherwise payable under this Part for a taxation year, an amount equal to the amount by which its tax payable for the year under Part I exceeds the aggregate of all amounts each of which is an amount the life insurer is deemed, under Chapter III.1 of Title III of Book IX of Part I, to have paid to the Minister as partial payment of its tax payable under Part I for the year.

“BOOK III**“COMPUTATION OF TAXABLE CAPITAL**

“1175.6. In this Part, the taxable capital employed in Québec of a life insurer that is resident in Canada at any time in a taxation year is, for the year, the amount determined by the formula

$$(A + B) - (C + D).$$

For the purposes of the formula in the first paragraph,

(a) A is the amount obtained by multiplying the aggregate of the capital of the life insurer for the taxation year and the amount determined for the year in respect of the capital of its foreign insurance subsidiaries by the proportion that the Canadian reserve liabilities of the life insurer at the end of the taxation year is of the aggregate of its total reserve liabilities at the end of the year and the amount determined for the year in respect of the total reserve liabilities of its foreign insurance subsidiaries ;

(b) B is the amount by which

i. the amount of the reserves of the life insurer for the year, other than its reserves in respect of amounts payable out of segregated funds, that may reasonably be regarded as having been established in respect of its insurance businesses carried on in Canada, exceeds

ii. the aggregate of

(1) all amounts each of which is the amount of a reserve, other than a reserve described in paragraph *a* of section 840, to the extent that it is included

in the amount determined under subparagraph i and is deducted in computing its income under Part I for the year,

(2) all amounts each of which is the amount of a reserve described in paragraph *a* of section 840, to the extent that it is included in the amount determined under subparagraph i and is deductible under that paragraph *a* in computing its income under Part I for the year, and

(3) all amounts each of which is the amount outstanding, including any interest accrued thereon, at the end of the year in respect of a policy loan, within the meaning of paragraph *h* of section 835, that was made by the life insurer, to the extent that it is deducted in computing an amount determined under subparagraph 2;

(c) *C* is the life insurer's capital allowance for the taxation year;

(d) *D* is that proportion of the amount by which the aggregate of the amounts determined under subparagraphs *a* and *b* for the taxation year exceeds the amount referred to in subparagraph *c* that the business carried on by the life insurer in Canada but not in Québec for the taxation year is of the aggregate of its business carried on in Canada, as determined in accordance with the regulations.

“1175.7. In this Part, the taxable capital employed in Québec of a life insurer that throughout a taxation year is not resident in Canada is the amount by which

(a) the amount by which its capital for the year exceeds its capital allowance for the year; exceeds

(b) that proportion of the amount determined under paragraph *a* that its business carried on in Canada but not in Québec is of the aggregate of its business carried on in Canada, as determined in accordance with the regulations made pursuant to section 1175.6.

“1175.8. In this Part, the capital of a life insurer that is resident in Canada at any time in a taxation year is the amount by which the aggregate at the end of the year of the following amounts exceeds the aggregate at the end of the year of the amount of its deferred tax debit balance and the amount of any deficit deducted in computing its net shareholders' equity:

(a) the amount of its long-term debt; and

(b) the amount of its capital stock or, in the case of an insurer incorporated without share capital, the amount of its members' contributions, plus the amount of its retained earnings, contributed surplus and any other surpluses.

“**1175.9.** For the purposes of this Part, the capital of a life insurer that throughout a taxation year is not resident in Canada is the aggregate at the end of the taxation year of

(a) the greater of its surplus operating fund, within the meaning of section 850, computed as if no tax were payable by it under Part I.3 or VI of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year, and its attributed surplus for the year, within the meaning assigned by the regulations made under section 818;

(b) any other surpluses relating to its insurance businesses carried on in Canada;

(c) the amount of its long-term debt that may reasonably be regarded as relating to its insurance businesses carried on in Canada; and

(d) the amount by which

i. the amount of its reserves for the year, other than its reserves in respect of amounts payable out of segregated funds, that may reasonably be regarded as having been established in respect of its insurance businesses carried on in Canada, exceeds

ii. the aggregate of

(1) all amounts each of which is the amount of a reserve, other than a reserve described in paragraph *a* of section 840, to the extent that it is included in the amount determined under subparagraph i and is deducted in computing its income under Part I for the year,

(2) all amounts each of which is the amount of a reserve described in paragraph *a* of section 840, to the extent that it is included in the amount determined under subparagraph i and is deductible under that paragraph *a* in computing its income under Part I for the year, and

(3) all amounts each of which is the amount outstanding, including any interest accrued thereon, at the end of the year in respect of a policy loan, within the meaning of paragraph *h* of section 835, that was made by the life insurer, to the extent that it is deducted in computing an amount determined under subparagraph 2.

“**1175.10.** For the purposes of subparagraph *a* of the second paragraph of section 1175.6, the amount determined for a particular taxation year in respect of the capital of the foreign insurance subsidiaries of a life insurer is equal to the aggregate of all amounts each of which is, in respect of a foreign insurance subsidiary of the life insurer, the amount by which the amount that would, had the subsidiary been resident in Canada throughout its last taxation year ending at or before the end of the particular taxation year, have been its capital for that year exceeds the aggregate of all amounts each of which is

(a) an amount included in computing that capital in respect of a share of the subsidiary's capital stock or its long-term debt that was owned by

i. the life insurer,

ii. a subsidiary of the life insurer,

iii. a corporation that is resident in Canada, that carried on a life insurance business in Canada at any time in its last taxation year ending at or before the end of the life insurer's taxation year, and that is

(1) a corporation of which the life insurer is a subsidiary, or

(2) a subsidiary of a corporation described in subparagraph 1,

iv. a subsidiary of a corporation described in subparagraph iii; or

(b) an amount included in computing that capital in respect of any surplus of the subsidiary contributed by a corporation described in any of subparagraphs i to iv of paragraph *a*, other than an amount referred to in paragraph *a*.

“1175.11. For the purposes of subparagraph *a* of the second paragraph of section 1175.6, the amount determined for a taxation year in respect of the total reserve liabilities of the foreign insurance subsidiaries of a life insurer is the aggregate of all amounts each of which would be the total reserve liabilities of such a subsidiary at the end of the subsidiary's last taxation year ending at or before the end of the life insurer's taxation year if the subsidiary were required to report to the Superintendent of Financial Institutions for that year.

“1175.12. For the purposes of this Part, the capital allowance for a taxation year of a life insurer that carries on business in Canada at any time in the year is the total of

(a) \$10,000,000;

(b) 1/2 of the amount by which the lesser of the following amounts exceeds \$10,000,000:

i. \$50,000,000, and

ii. its taxable capital employed in Canada for the year;

(c) 1/4 of the amount by which the lesser of the following amounts exceeds \$50,000,000:

i. \$100,000,000, and

ii. its taxable capital employed in Canada for the year ;

(d) 1/2 of the amount by which the lesser of the following amounts exceeds \$200,000,000:

i. \$300,000,000, and

ii. its taxable capital employed in Canada for the year ; and

(e) 3/4 of the amount by which its taxable capital employed in Canada for the year exceeds \$300,000,000.

Notwithstanding the first paragraph, where a life insurer is related at the end of a taxation year to another life insurer that carries on business in Canada, its capital allowance for the taxation year is, subject to sections 1175.13, 1175.15 and 1175.16, nil.

“1175.13. A life insurer that carries on business in Canada at any time in a taxation year and is related at the end of the year to another life insurer that carries on business in Canada may file with the Minister, on behalf of the related group of life insurers of which the life insurer is a member, an agreement in prescribed form under which an amount that does not exceed the total of the following amounts is allocated for the year among the members of the related group :

(a) \$10,000,000 ;

(b) 1/2 of the amount by which the lesser of the following amounts exceeds \$10,000,000:

i. \$50,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group ;

(c) 1/4 of the amount by which the lesser of the following amounts exceeds \$50,000,000:

i. \$100,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group ;

(d) 1/2 of the amount by which the lesser of the following amounts exceeds \$200,000,000:

i. \$300,000,000, and

ii. the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group; and

(e) 3/4 of the amount by which the total of all amounts each of which is the taxable capital employed in Canada of a life insurer for the year that is a member of the related group, exceeds \$300,000,000.

“1175.14. For the purposes of sections 1175.12 and 1175.13, the taxable capital employed in Canada of a life insurer for the year is, in the case of a life insurer that is resident in Canada at any time in the taxation year, the aggregate of

(a) the amount obtained by multiplying the aggregate of the capital of the life insurer for the taxation year and the amount determined for the year in respect of the capital of its foreign insurance subsidiaries by the proportion that the Canadian reserve liabilities of the life insurer at the end of the taxation year is of the aggregate of its total reserve liabilities at the end of the year and the amount determined for the year in respect of the total reserve liabilities of its foreign insurance subsidiaries; and

(b) the amount by which

i. the amount of the reserves of the life insurer for the year, other than its reserves in respect of amounts payable out of segregated funds, that may reasonably be regarded as having been established in respect of its insurance businesses carried on in Canada, exceeds

ii. the aggregate of

(1) all amounts each of which is the amount of a reserve, other than a reserve described in paragraph *a* of section 840, to the extent that it is included in the amount determined under subparagraph i and is deducted in computing its income under Part I for the year,

(2) all amounts each of which is the amount of a reserve described in paragraph *a* of section 840, to the extent that it is included in the amount determined under subparagraph i and is deductible under that paragraph *a* in computing its income under Part I for the year, and

(3) all amounts each of which is the amount outstanding, including any interest accrued thereon, at the end of the year in respect of a policy loan, within the meaning of paragraph *h* of section 835, that was made by the life insurer, to the extent that it is deducted in computing an amount determined under subparagraph 2.

For the purposes of sections 1175.12 and 1175.13, the taxable capital employed in Canada of a life insurer for a taxation year is, in the case of a life insurer that, throughout a taxation year, is not resident in Canada, its capital for the taxation year.

“1175.15. The Minister may request a life insurer that carries on business in Canada at any time in a taxation year and, at the end of the year, is related to another life insurer that carries on business in Canada to file with the Minister an agreement described in section 1175.13 and, if the life insurer does not file the agreement within 30 days after receiving the request, the Minister may allocate among the members of the related group of life insurers of which the life insurer is a member for the year an amount not exceeding the total that would otherwise be determined under paragraphs *a* to *e* of section 1175.13 in respect of the related group.

“1175.16. For the purposes of this Part, the capital allowance for a taxation year of a member of a related group of life insurers is equal to the least amount allocated to that member for that year under an agreement described in section 1175.13 or by the Minister in accordance with section 1175.15.

“1175.17. Where a corporation, in this section referred to as the “first corporation”, has more than one taxation year ending in the same calendar year and is related in two or more of those taxation years to another corporation that has a taxation year ending in that calendar year, the capital allowance of the first corporation for each such taxation year at the end of which it is related to the other corporation is, for the purposes of this Part, an amount equal to its capital allowance for the first such taxation year.

“1175.18. For the purposes of this Part, two corporations that would, but for this section, be related to each other solely because of the control of any corporation by Her Majesty in right of Canada or a province, or a right referred to in paragraph *b* of section 20, shall be deemed not to be related to each other.

However, where at any time a taxpayer acquires a right referred to in paragraph *b* of section 20 and it may reasonably be considered that one of the main purposes of the acquisition of the right was to avoid any limitation on the amount of a corporation’s capital allowance for a taxation year, for the purpose of determining whether, for the purposes of this Part, a corporation is related to any other corporation, the taxpayer is deemed to have acquired, at that time, the shares giving entitlement to the right.

“BOOK IV

“MISCELLANEOUS PROVISIONS

“1175.19. Except where inconsistent with this Part, sections 7.14, 11, 11.1, 11.3, 17 to 21 and 1000 to 1028, 1037 to 1079.16 and 1134 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies in respect of taxation years of life insurers that end after 9 May 1996. However, where section 1175.5 of the said Act, enacted by

subsection 1, applies to such a taxation year that includes 9 May 1996, it shall be read as follows :

“**1175.5.** A life insurer may deduct from its tax otherwise payable under this Part for a taxation year, an amount equal to the proportion of the amount by which its tax payable for the year under Part I exceeds the aggregate of all amounts each of which is an amount the life insurer is deemed, under Chapter III.1 of Title III of Book IX of Part I, to have paid to the Minister as partial payment of its tax payable for the year under Part I, that the number of days in the taxation year that are after 9 May 1996 is of the number of days in the year.”

287. (1) Section 1178 of the said Act, amended by section 259 of chapter 63 of the statutes of 1995 and by section 71 of chapter 3 of the statutes of 1997, is again amended, in paragraph *a*,

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

“iii. subject to subparagraph iii.1, when the taxpayer carries on the operations described in paragraph *c* of section 1177, his income or loss, as determined under Part I for the year, from such operations,”;

(2) by inserting, after subparagraph iii, the following subparagraph:

“iii.1. where subparagraph iii applies in respect of the sale by the taxpayer of forest land or a timber limit, the income or loss referred to in that subparagraph iii in respect of that sale is deemed, except for the purposes of subparagraph iv, to be equal to the portion of the income or loss of the taxpayer, determined under Part I for the year, from the sale that can reasonably be attributed to standing timber,”.

(2) Subsection 1 applies in respect of logging operations that occur after 9 May 1996.

288. Section 1186 of the said Act is repealed.

289. (1) The said Act is amended by inserting, after section 1186, the following:

“PART VII.1

“ANTI-POVERTY CONTRIBUTION FOR THE PROMOTION OF RE-ENTRY INTO THE LABOUR FORCE

“**1186.1.** In this Part,

“financial institution” means a corporation referred to in subparagraph *a* of the first paragraph of section 1132;

“individual” has the meaning assigned by Part I;

“Minister” means the Minister of Revenue;

“person” has the meaning assigned by section 1;

“reference period”, applicable in respect of a person, means the period from 1 January 1997 to 31 December 1999 if the person is an individual, or from 27 November 1996 to 26 November 1999 if the person is a corporation;

“tax under Part I” of a person for a taxation year means the tax which the person would be required to pay for the year under Part I were it not for sections 1183 and 1184;

“taxation year” has the meaning assigned by Part I.

1186.2. Every person referred to in any of sections 22 to 27 in respect of a taxation year that, where the person is an individual, ends on or before the end of the reference period applicable in his respect or, where the person is a corporation, is included in whole or in part in the reference period applicable in its respect, shall pay to the Minister for the year a contribution equal to

(a) where the person is an individual, 0.3% of the aggregate of his tax under Part I for the year and his tax payable for the year pursuant to Part I.1; or

(b) where the person is a corporation, the proportion that the number of days in the year included in the reference period applicable in its respect is of the number of days in the year, of the aggregate of

i. 2.8% of its tax under Part I for the year, and

ii. 3% of its tax payable for the year pursuant to Part IV, if the corporation is a financial institution.

1186.3. Except where inconsistent with this Part, the second paragraph of section 87.4, subsection 2 of section 333.2, the second paragraph of section 421.8, section 485.48, the third paragraph of sections 716.0.1 and 752.0.10.15, sections 929.1, 1000 to 1026.0.1 and 1026.2, the first paragraph of section 1027 and sections 1034 to 1079.16 apply, with the necessary modifications, to this Part.

1186.4. A person is not required to make, pursuant to section 1025 or 1026 or subparagraph *a* of the first paragraph of section 1027, as the case may be, a partial payment of his contribution payable for a taxation year pursuant to this Part if the person is not required, pursuant to Part I, to make such a payment of his tax payable pursuant to that Part and Part I.1 and, where applicable, of his tax payable pursuant to Part IV, for that year.

“**1186.5.** The Minister shall pay the contributions referred to in section 1186.2 into the fund created for that purpose by an Act of the legislature of Québec.”

(2) Subsection 1 applies to taxation years of a person that end after 26 November 1996 where the person is a corporation and after 31 December 1996 where the person is an individual. However, where the corporation is a savings and credit union and section 1186.2 of the said Act, enacted by subsection 1, applies to such a taxation year that begins before 10 May 1996, paragraph *b* of that section shall be read as follows:

“(b) where the person is a corporation, the aggregate of

i. the proportion that the number of days in the year that are included in the reference period applicable in its respect is of the number of days in the year, of 2.8% of its tax under Part I for the year, and

ii. the proportion that the number of days in the year that are included in the reference period applicable in its respect is of the number of days in the year after 9 May 1996, of 3% of its tax payable for the year pursuant to Part IV, if the person is a financial institution.”

(3) In addition, for the purposes, by reason of section 1186.3 of the said Act, enacted by subsection 1, of section 1025 or 1026 or of subparagraph *a* of the first paragraph of section 1027 of the said Act, as the case may be, for the purpose of computing the amount of a payment that a person is required to make, after 31 December 1996, in respect of his contribution payable pursuant to Part VII.1 of the said Act, enacted by subsection 1, for a particular taxation year, or of section 1038 of the said Act for the purpose of calculating the interest provided therein that the person is required to pay, where applicable, in respect of the payment,

(1) Part VII.1 of the said Act is deemed to have also been in force for any previous taxation year for which it would not otherwise have been in force;

(2) the contribution payable by the person pursuant to the said Part VII.1 for the particular year or a previous taxation year shall be computed as if the reference period, within the meaning of section 1186.1 of the said Act, enacted by subsection 1, that is applicable in his respect, also included the portion, that would not otherwise have been included, of the particular year and of any previous taxation year and as if, where the corporation is a savings and credit union, subparagraph ii of paragraph *b* of section 1186.2 of the said Act, enacted by subsection 2, were read by inserting, after the word “respect”, “and are after 9 May 1996”.

290. (1) The said Act, amended by chapters 21 and 40 of the statutes of 1994, by chapters 1, 18, 36, 49 and 63 of the statutes of 1995, by chapters 31 and 39 of the statutes of 1996 and by chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in the French text, the words “à l’égard d’une année” by the words “à l’égard d’une année d’imposition” in the following provisions:

- section 965.30;
- section 965.31;

(2) by replacing, in the English text, the words “an artistic organization recognized by the Minister on the recommendation of the Minister of Culture and Communications” by the words “a recognized arts organization” in the following provisions:

- section 313.6;
- paragraph *c* of the definition of “total charitable gifts” in section 752.0.10.1;
- section 985.26;

(3) by replacing the words “UNEMPLOYMENT INSURANCE” by the words “EMPLOYMENT INSURANCE” in the following provisions:

- the heading of Division V of Chapter III of Title II of Book III of Part I;
- the heading of Chapter I.0.3.1 of Title I of Book V of Part I;

(4) by replacing “within the meaning of section 1029.8.36.33” by “within the meaning of section 1029.6.0.2” in the following provisions:

- the second paragraph of section 1029.8.6;
- the second paragraph of section 1029.8.7;
- the second paragraph of section 1029.8.33.6;
- the second paragraph of section 1029.8.33.7;

(5) by striking out the words “before 1 January 1999” in subparagraphs *a* and *b* of the first paragraph of sections 1029.8.6 and 1029.8.7;

(6) by replacing the words “exploration base relating to certain Québec surface mining exploration expenses” by the words “exploration base relating to certain Québec surface mining or oil and gas exploration expenses” in section 726.4.17.1 and paragraph *b* of section 726.4.17.3;

(7) by replacing “sections 1145, 1159.7 and 1175” and “pursuant to Parts IV, IV.1 and VI” respectively by “sections 1145, 1159.7, 1175 and 1175.19” and “pursuant to Parts IV, IV.1, VI and VI.1” in the following provisions:

- the second paragraph of section 1029.8.6;
- the second paragraph of section 1029.8.7;
- the second paragraph of section 1029.8.33.6;
- the second paragraph of section 1029.8.33.7;

(8) by replacing, in the English text, the word “division” by the word “partition” in the following provisions:

- paragraph *f.1* of section 312;
- section 913;
- subparagraph *b* of the second paragraph of section 961.17;
- paragraph *b* of section 965.0.9;

(9) by replacing “of paragraph *a* of section 1029.2” by “of subparagraph *a* of the first paragraph of section 1029.2” in the following provisions:

- paragraph *a* of section 771.9;
- section 771.10;
- the first paragraph of section 771.11;

(10) by replacing, in the French text, the word “émis” by the word “délivré” wherever it appears in the following provisions:

- subparagraph *i* of paragraph *b* of section 202;
- paragraph *a* of section 985.9;
- section 985.16;
- subparagraph *a* of the first paragraph of section 1101;

(11) by replacing “section 1” by “Part I” in the definition of “taxation year” in the following provisions:

- section 1086.1;
- section 1086.5;
- section 1129.1;
- section 1129.5;
- section 1129.13;
- section 1129.34;
- section 1129.38;
- section 1129.42;
- section 1129.46;
- section 1159.1;
- paragraph *a* of section 1176;

(12) by replacing “section 1” by “Part I” in the definition of “fiscal period” in the following provisions:

- section 1129.34;
- section 1129.38;
- section 1129.42;
- paragraph *c.1* of section 1176;

(13) by replacing “Unemployment Insurance Act (Revised Statutes of Canada, 1985, chapter U-1)” and “Unemployment Insurance Act” respectively by “Employment Insurance Act (Statutes of Canada, 1996, chapter 23)” and “Employment Insurance Act” in the following provisions :

- section 75 ;
- paragraph *c* of section 311 ;
- paragraph *a* of section 752.0.18.1 ;
- subparagraph *e* of the second paragraph of section 1015 ;
- the portion of the first paragraph of section 1029.8.50 before subparagraph *a* ;

(14) by striking out, in the French text, the words “par le ministre sur recommandation du ministre de la Culture et des Communications” in the following provisions :

- section 313.6 ;
- paragraph *c* of the definition of “total charitable gifts” in section 752.0.10.1 ;
- section 985.26 ;

(15) by replacing, in the French text, the words “sous pli” by the words “par courrier” in the following provisions :

- section 1001 ;
- the portion of the first paragraph of section 1099 before subparagraph *a* ;

(16) by replacing “31 December 1996” by “31 December 1998” in the following provisions :

- paragraph *b* of section 726.4.12 ;
- subparagraph *i* of paragraph *d* of section 726.4.12 ;
- paragraph *b* of section 726.4.17.4 ;
- subparagraph *i* of paragraph *d* of section 726.4.17.4 ;
- paragraph *a* of the definition of “resource property” in section 726.20.1 ;

(17) by replacing “\$40 000” by “\$25,000” in the following provisions :

- paragraphs *a* and *b* of section 776.47 ;
- section 776.48 ;
- section 776.49 ;

(18) by replacing “to 752.0.18.1” by “to 752.0.18.9” in the following provisions :

- paragraph *d* of section 681 ;
- section 752.0.26 ;
- paragraph *d* of section 1003 ;

(19) by replacing “and 752.0.18.1” by “, 752.0.18.1, 752.0.18.3 and 752.0.18.8” in the following provisions:

- the portion of section 752.0.15 before paragraph *a*;
- paragraph *b* of section 752.0.19;

(20) by replacing “1029.8.9.0.3,” by “1029.8.9.0.3, 1029.8.9.0.4,” wherever it appears in the following provisions:

- section 1029.8.19;
- section 1029.8.21.2;

(21) by replacing “1029.8.82” by “1029.8.81” in the following provisions:

- the portion of section 421.1 before paragraph *a*;
- the portion of section 752.0.18 before subparagraph *a* of the first paragraph.

(2) Paragraphs 2 and 14 of subsection 1 have effect from 10 May 1996.

(3) Paragraphs 3 and 13 of subsection 1 have effect from 30 June 1996.

(4) Paragraphs 4, 7, 11 and 12 of subsection 1 apply to taxation years that end after 9 May 1996.

(5) Paragraph 5 of subsection 1 applies

(1) in respect of scientific research and experimental development undertaken after 9 May 1996 under a contract entered into after that date;

(2) in respect of scientific research and experimental development undertaken after 9 May 1996 under an eligible research contract or a university research contract entered into on or before 9 May 1996 if an application for an advance ruling is filed with the Ministère du Revenu in respect of that contract between 9 May 1996 and 1 September 1996.

(6) Paragraphs 6 and 21 of subsection 1 apply from the taxation year 1996.

(7) Paragraph 9 of subsection 1 applies to taxation years that end after 20 December 1995.

(8) Paragraphs 17 to 19 of subsection 1 apply from the taxation year 1997.

(9) Paragraph 20 of subsection 1 applies in respect of eligible fees paid to an eligible research consortium after 20 December 1995.

ACT RESPECTING THE APPLICATION OF THE TAXATION ACT

291. Section 69 of the Act respecting the application of the Taxation Act (R.S.Q., chapter I-4) is amended by replacing, in the French text of the portion before subparagraph *a* of the first paragraph, the words “si le propriétaire n’a pas fait le choix” by the words “si le premier propriétaire n’a pas fait le choix”.

LICENSES ACT

292. (1) Section 79.10 of the Licenses Act (R.S.Q., chapter L-3) is amended

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

“(a) “retailer” means a holder of a permit authorizing the sale of alcoholic beverages for consumption on the premises, issued under the Act respecting liquor permits (chapter P-9.1), a reunion permit authorizing the sale of alcoholic beverages for consumption at the place indicated thereon, issued under that Act, or a small-scale production permit issued under the Act respecting the Société des alcools du Québec (chapter S-13);”;

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

“ii. a person holding a brewer’s permit, a beer distributor’s permit, a cider maker’s permit or a small-scale production permit issued under the Act respecting the Société des alcools du Québec;”.

(2) Subsection 1 has effect from 5 July 1996.

293. (1) Section 79.11.1 of the said Act is replaced by the following section:

“**79.11.1.** The duties provided for in paragraphs *b* and *d* of section 79.11 do not apply to alcoholic beverages acquired to be blended with alcoholic beverages made by a retailer who is the holder of a small-scale production permit or a small-scale beer producer’s permit issued under the Act respecting the Société des alcools du Québec (chapter S-13).”

(2) Subsection 1 has effect from 5 July 1996.

ACT RESPECTING THE MINISTÈRE DU REVENU

294. (1) Section 14 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31), amended by sections 201 and 362 of chapter 1 of the statutes of 1995, by section 279 of chapter 63 of the statutes of 1995 and by section 82 of chapter 3 of the statutes of 1997, is again amended by adding, at the end of

the second paragraph, the following sentence: “The Minister shall also advise of the amount of the exigible charges or fees of the other person under sections 12.1 and 12.2.”

(2) Subsection 1 has effect from 10 May 1996.

295. The said Act is amended by inserting, after section 17.5, the following section:

“17.5.1. The Minister may also suspend or revoke the registration certificate of or refuse to issue a registration certificate to any person who, at the time the person files an application for registration, is not dealing at arm’s length with another person who carries on a similar commercial activity where the other person’s registration certificate has been revoked or where the other person is under an injunction ordering the cessation of the activity, unless proof is given to the Minister that the person’s commercial activity does not constitute a continuation of the other person’s commercial activity.”

296. Section 19 of the said Act is repealed.

297. Section 24 of the said Act is amended, in the English text, by replacing, in the third line of the second paragraph, the word “pretending” by the word “claiming”.

298. (1) Section 24.0.1 of the said Act, amended by section 11 of chapter 46 of the statutes of 1994, by sections 204 and 362 of chapter 1 of the statutes of 1995, by section 48 of chapter 43 of the statutes of 1995, by section 241 of chapter 49 of the statutes of 1995, by section 279 of chapter 63 of the statutes of 1995 and by section 104 of chapter 3 of the statutes of 1997, is again amended by replacing the portion before subparagraph *b* of the first paragraph by the following:

“24.0.1. Where a corporation has omitted to remit to the Minister an amount referred to in section 24 or to deduct, withhold or collect an amount that it was required to deduct, withhold or collect under a fiscal law, or to pay its employer’s contribution under the Act respecting the Québec Pension Plan (chapter R-9), the Act respecting labour standards (chapter N-1.1), the Act to foster the development of manpower training (1995, chapter 43) or the Act respecting the Régie de l’assurance-maladie du Québec (chapter R-5), its directors in office on the date of the omission shall become solidary debtors with the corporation for that amount and for interest and penalties related thereto in the following cases:

(a) where the writ of execution in respect of the corporation is returned unfulfilled in whole or in part following a judgment rendered in favour of the Deputy Minister under section 13 ;”.

(2) This section applies, where it replaces the portion before subparagraph *a* of the first paragraph of section 24.0.1 of the said Act, in respect of employers' contributions payable under the Act respecting the Régie de l'assurance-maladie du Québec after 9 May 1996 and, where it replaces subparagraph *a* of the first paragraph of that section, in respect of writs of execution that are returned unfulfilled from 10 May 1996.

299. Section 27.0.1 of the said Act, enacted by section 206 of chapter 1 of the statutes of 1995, is amended, in the English text, by replacing, in subparagraph *b* of the second paragraph, the word "agent" by the word "mandatary".

300. (1) Section 30.3 of the said Act, enacted by section 272 of chapter 63 of the statutes of 1995, is amended by adding, after the second paragraph, the following paragraph :

"This section also applies, with the necessary modifications, to the refund that may be allocated to the payment of an amount owing under an Act covered by a regulation made under the second paragraph of section 31."

(2) Subsection 1 applies in respect of applications or returns filed after 9 May 1996.

301. The said Act is amended by inserting, after section 30.3, enacted by section 272 of chapter 63 of the statutes of 1995, the following section :

"30.4. Notwithstanding any inconsistent provision, where a person required to deduct, withhold, collect or pay an amount under a fiscal law files or has filed a proposal or notice of intention to file such a proposal pursuant to the Bankruptcy and Insolvency Act (Revised Statutes of Canada, 1985, chapter B-3), the Minister may issue an order to change any remittance, payment or reporting period otherwise provided for by a fiscal law in respect of an amount which the person is required to deduct, withhold, collect or pay, and determine any incidental terms and conditions.

The order shall be communicated to the person by means of a notice sent by registered or certified mail and shall be valid for a period not exceeding that of the proposal.

Such an order may be amended or cancelled at any time."

302. (1) Section 31.1.3 of the said Act, replaced by section 273 of chapter 63 of the statutes of 1995 and by section 17 of chapter 12 of the statutes of 1996, and amended by section 94 of chapter 3 of the statutes of 1997, is again amended by replacing, in the first line, the words "Section 31.1.1 does" by the words "The second paragraph of section 30.1 and section 31.1.1 do".

(2) This section has effect from 20 June 1996.

303. (1) Section 34 of the said Act, amended by section 242 of chapter 49 of the statutes of 1995 and by section 96 of chapter 3 of the statutes of 1997, is again amended

(1) by striking out the third paragraph of subsection 1 ;

(2) by replacing, in the second paragraph of subsection 2, the words “gifts deductible from income” by the words “gifts deductible from income, or included in computing an amount deductible from the tax payable,”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 1993.

304. The said Act is amended by inserting, after section 37.1, enacted by section 210 of chapter 1 of the statutes of 1995, the following section :

“**37.1.1.** The Minister may require of any class of persons he determines that a document or information required under a fiscal law be filed with the Minister by way of electronic filing or on a computer-generated medium in accordance with the terms and conditions he indicates.”

305. Section 38 of the said Act is amended, in the English text, by replacing, in subparagraph *d* of the second paragraph, the words “take possession of” by the word “remove”.

306. Section 59 of the said Act is amended by replacing the first paragraph by the following paragraph :

“**59.** Every person who fails to file a return or report as and when prescribed by a fiscal law, by a regulation made under such a law or by an order of the Minister, to comply with a demand made under section 39 or to furnish the register mentioned in subsection 3 of section 34, incurs a penalty of \$25 for each day of default but not exceeding \$2,500.”

307. Section 59.2 of the said Act, amended by section 274 of chapter 63 of the statutes of 1995, is again amended by replacing, in the second paragraph, the portion before subparagraph *a* by the following :

“Every person who fails, within the time prescribed by law or by an order of the Minister, to pay or remit an amount he was required to pay or remit under a fiscal law incurs a penalty equal to”.

308. The said Act is amended by inserting, after section 59.2, the following sections :

“**59.2.1.** Every person who makes a statement or omission in a return filed under the Act respecting the Québec sales tax (chapter T-0.1) and as a result thereof the amount refunded by the Minister, on the basis of the information provided in the return, is greater than the amount that is required

to be refunded, incurs a penalty equal to 15% of the difference between those two amounts.

“59.2.2. Every person who fails to report an income in the fiscal return filed by him for a taxation year and has already made such an omission for any of the three preceding taxation years incurs a penalty equal to 10% of that income.

Notwithstanding the foregoing, no person shall incur, in respect of the same omission, both the penalty under the first paragraph and the penalty under section 1049 of the Taxation Act (chapter I-3).”

309. Section 60 of the said Act is amended by replacing the first paragraph by the following paragraph :

“60. Every person who fails to file a return or report as and when prescribed by a fiscal law, by a regulation made under such a law or by an order of the Minister, or who fails to furnish the register mentioned in subsection 3 of section 34 is guilty of an offence and is liable, in addition to any other penalty under such a fiscal law, to a fine of at least \$100 for each day during which the failure continues.”

310. The said Act is amended by inserting, after section 61, the following section :

“61.0.1. Every person who is required to be registered under Title I of the Act respecting the Québec sales tax (chapter T-0.1) and who fails to comply with that requirement is guilty of an offence and is liable to a fine of not less than \$2,000 nor more than \$25,000.”

311. Section 90 of the said Act, amended by section 104 of chapter 3 of the statutes of 1997, is again amended by replacing, in the sixth line, the words “such return, application, certificate, statement or answer” by the words “the document”.

312. The said Act, amended by chapter 46 of the statutes of 1994, by chapters 1, 18, 36, 43, 49, 63 and 69 of the statutes of 1995, by chapters 12, 31, 33, 35 and 81 of the statutes of 1996 and by chapter 3 of the statutes of 1997, is again amended

(1) by replacing, in the English text, the words “functionary” and “functionaries” respectively by the words “public servant” and “public servants”, wherever they appear in the following provisions :

- the second paragraph of section 3 ;
- the first, second and fourth paragraphs of section 6 ;
- the first, second and third paragraphs of section 7 ;
- section 8 ;

- the second paragraph of section 40.1;
- section 42;
- the second paragraph of section 69.1;
- section 78.1;
- section 78.2;
- the first and second paragraphs of subsection 1 of section 80;
- section 81;
- section 82;
- section 83;
- the first and second paragraphs of section 84;
- the first paragraph of section 86;
- the second paragraph of section 91.1;
- the first paragraph of section 96;

(2) by replacing, in the English text, the word “department” by the word “Ministère”, wherever it appears in the following provisions:

- the heading of Chapter II;
- section 3;
- section 4;
- the first and second paragraphs of section 5;
- the first and second paragraphs of section 6;
- the first and fourth paragraphs of section 7;
- section 8;
- section 9.1;
- the first paragraph of section 41;
- section 71.0.11;
- section 82;
- section 83;
- the second paragraph of section 84.

ACT RESPECTING LABOUR STANDARDS

313. (1) Section 39.0.3 of the Act respecting labour standards (R.S.Q., chapter N-1.1), enacted by section 6 of chapter 46 of the statutes of 1994, is replaced by the following section:

“39.0.3. Payment to the Minister of Revenue of the contribution provided for in section 39.0.2 in respect of a calendar year shall be made on or before the day on which the employer subject to contribution must file the return provided for in Title XXVII of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r.1) in respect of the payments required under section 1015 of the Taxation Act (chapter I-3) in relation to the wages paid by him in that year.

The employer shall forward his payment to the Minister of Revenue, together with the prescribed form.”

(2) Subsection 1 applies in respect of a portion of fees paid or of any remuneration paid or deemed to be paid by an employer after 31 December 1995.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE-MALADIE DU QUÉBEC

314. (1) Section 33 of the Act respecting the Régie de l'assurance-maladie du Québec (R.S.Q., chapter R-5), amended by section 215 of chapter 1 of the statutes of 1995, is again amended

(1) by inserting the following definition, which is to be ordered alphabetically:

““eligible employer”, at a particular time, means an employer who, for the employer’s taxation year that includes the particular time,

(a) is not a person described in any of paragraphs *a* to *d* of the definition of “qualified corporation” in the first paragraph of section 1029.8.36.4 of the Taxation Act; and

(b) is a qualified corporation, within the meaning of sections 771.5 to 771.7 of the Taxation Act or, where the employer’s taxation year that includes the particular time is the employer’s first taxation year, or the taxation year from which the employer ceased, by reason of the first paragraph of section 771.6 of that Act, to be such a qualified corporation, and the particular time is before the time at which one of the situations described in subparagraphs *a* to *f* of the first paragraph of that section 771.6 first occurred, would be such a qualified corporation but for that paragraph;”;

(2) by inserting the following definition, which is to be ordered alphabetically:

““employer exemption”, at a particular time, means the amount by which \$300,000, where the employer’s taxation year that includes the particular time is not less than 51 weeks, or, in any other case, the proportion of \$300,000 that the number of days in that taxation year is of 365, exceeds the aggregate of the wages and amounts paid or deemed to be paid by the employer in that taxation year and before the particular time in respect of which the employer would be required to pay a contribution under section 34 but for the second paragraph of that section;”.

(2) Subsection 1 has effect from 10 May 1996. However,

(1) where the definition of “eligible employer” in section 33 of the said Act, enacted by paragraph 1 of that subsection, applies before 20 March 1997, the French text thereof shall be read with the word “société” replaced by the word “corporation” wherever it appears in paragraphs *a* and *b*;

(2) where the definition of “employer exemption” in section 33 of the said Act, enacted by paragraph 2 of subsection 1, applies to any particular time in a taxation year that includes 9 May 1996, it shall be read substituting for the amount of \$300,000, wherever it appears therein, an amount equal to the proportion of \$300,000 that the number of days in that taxation year following that date is of the number of days in that taxation year.

315. (1) The said Act is amended by inserting, after section 33, the following section :

“**33.0.1.** In the definition of “eligible employer” and of “employer exemption” in section 33, the words “taxation year” mean a taxation year within the meaning of Part I of the Taxation Act (chapter I-3).”

(2) Subsection 1 has effect from 10 May 1996.

316. (1) Section 34 of the said Act, replaced by section 217 of chapter 1 of the statutes of 1995 and amended by section 283 of chapter 63 of the statutes of 1995, is again amended by adding the following paragraph :

“However, where the employer is an eligible employer at the time the wages or amount are paid or deemed to be paid, no contribution is payable under this section in respect of the portion of the wages or amount that does not exceed the amount by which the employer exemption at that time exceeds the aggregate of the other wages or amounts paid or deemed to be paid at that time by the employer, in respect of which no contribution is payable under this section by reason of this paragraph.”

(2) Subsection 1 applies in respect of wages or amounts paid or deemed to be paid after 9 May 1996.

317. (1) Section 34.0.1 of the said Act, amended by section 218 of chapter 1 of the statutes of 1995, is again amended by replacing, in the portion before paragraph *a*, the words “but for this section” by the words “but for this section and the second paragraph of section 34”.

(2) Subsection 1 has effect from 10 May 1996.

318. Section 34.1.7 of the said Act, replaced by section 220 of chapter 1 of the statutes of 1995 and amended by section 244 of chapter 49 of the statutes of 1995 and by section 286 of chapter 63 of the statutes of 1995, is again replaced by the following section :

“**34.1.7.** Except where inconsistent with this subdivision, the second paragraph of section 87.4, subsection 2 of section 333.2, the second paragraph of section 421.8 and sections 485.48, 929.1, 1000 to 1002, 1004 to 1026.0.1, 1026.2 and 1034 to 1079.16 of the Taxation Act (chapter I-3) apply, with the necessary modifications, to this subdivision.”

ACT RESPECTING THE QUÉBEC PENSION PLAN

319. (1) Section 1 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) is amended by replacing paragraph *b* by the following paragraph:

“(b) “office”: the position of an individual entitling him to a remuneration, including the office of Lieutenant-Governor, the office of a Member of the National Assembly or of a member of the Conseil exécutif du Québec, the position of member of the board of directors of a corporation even where the individual performs no administrative functions within the corporation, and any other office the incumbent of which is elected by popular vote or appointed in a representative capacity;”.

(2) Subsection 1 is declaratory, except in respect of cases pending on 4 April 1990 and notices of objection served on the Minister of Revenue on or before that date, where one of the issues in dispute on that date concerns the scope of the definition of “office” in paragraph *b* of section 1 of the said Act and the ground, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, alleges that the position of member of the board of directors of a corporation does not constitute an office.

320. The said Act is amended by inserting, after section 82, the following section:

“**82.1.** Every regulation made under this Title or Division I of Title V comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein.

Such a regulation may also, once published and where it so provides, take effect from a date prior to its publication but not prior to the date from which the legislation under which it is made takes effect.”

ACT RESPECTING REAL ESTATE TAX REFUND

321. (1) Sections 10.1 and 10.2 of the Act respecting real estate tax refund (R.S.Q., chapter R-20.1) are replaced by the following sections:

“**10.1.** Subject to section 10.2, the amount to which section 7 refers is the aggregate of the following amounts:

(a) \$10,000 if the person referred to in section 2 has reached 65 years of age before the end of the year;

(b) \$10,000 if the spouse, during the year, of the person referred to in section 2 has reached 65 years of age before the end of that year; and

(c) five times the total of the amounts deducted under sections 752.0.1 to 752.0.7 of the Taxation Act (chapter I-3) for the year by the person referred to in section 2 and, where applicable, by the person's spouse during the year, except the amounts deducted for the year under section 752.0.1 of that Act, as a consequence of the application of paragraphs *i* and *j* of the said section, and the amounts deducted for the year by the spouse under the said section 752.0.1, as a consequence of the application of paragraph *a* of the said section, and under the first part of the portion of the said section 752.0.1 before paragraph *a* thereof.

“10.2. For the purposes of paragraph *c* of section 10.1, the amount deducted for the year under section 752.0.1 of the Taxation Act (chapter I-3), as a consequence of the application of paragraph *a* of the said section, by the person referred to in section 2 is deemed to be equal to the amount the person would be entitled to deduct for the year under the said section 752.0.1, as a consequence of the application of paragraph *a* of the said section, if the person's spouse during the year had no income for that year.”

(2) Subsection 1 applies in respect of the computation of real estate tax refunds for the year 1996 and subsequent years.

322. Section 19 of the said Act is amended by replacing the words “adapted as required” by the words “with the necessary modifications”.

323. Section 41 of the said Act is amended by replacing the second paragraph by the following paragraph :

“Any regulation made under this Act comes into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein ; it may also, once published and if it so provides, take effect from any date prior to its publication but not prior to the date from which the legislation under which it is made takes effect.”

ACT RESPECTING INCOME SECURITY

324. (1) Section 48.1 of the Act respecting income security (R.S.Q., chapter S-3.1.1), replaced by section 233 of chapter 1 of the statutes of 1995, is amended by replacing, in the first paragraph, “to 1029.8.82” and “section 1029.8.79 or 1029.8.82” respectively by “to 1029.8.81” and “section 1029.8.79”.

(2) Subsection 1 applies in respect of determinations of benefits for 1996 and subsequent years.

ACT RESPECTING QUÉBEC BUSINESS INVESTMENT COMPANIES

325. (1) Section 2 of the Act respecting Québec business investment companies (R.S.Q., chapter S-29.1) is amended by striking out the second paragraph.

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

326. (1) Section 12 of the said Act, amended by section 110 of chapter 3 of the statutes of 1997, is again amended

(1) by striking out subparagraphs 3 and 4 of the first paragraph ;

(2) by striking out the fifth paragraph.

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

327. (1) Section 16 of the said Act is amended by striking out paragraph 9.

(2) Subsection 1 applies in respect of investments made by a Québec business investment company after 9 May 1996.

ACT RESPECTING FISCAL INCENTIVES TO INDUSTRIAL DEVELOPMENT

328. (1) The Act respecting fiscal incentives to industrial development (R.S.Q., chapter S-34) is repealed.

(2) Subsection 1 has effect from 22 November 1996.

ACT RESPECTING THE QUÉBEC SALES TAX

329. (1) Section 1 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1), amended by section 23 of chapter 23 of the statutes of 1994, by section 247 of chapter 1 of the statutes of 1995, by section 246 of chapter 49 of the statutes of 1995, by section 299 of chapter 63 of the statutes of 1995 and by section 115 of chapter 3 of the statutes of 1997, is again amended by replacing the definition of “public college” by the following definition :

““public college” means

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

(2) an institution that is accredited for purposes of subsidies for providing educational services at the college level under the Act respecting private education ;

(3) an organization or that part of an organization that operates a post-secondary college or post-secondary technical institute, situated in Québec,

(a) that is funded by a government or a municipality, and

(b) the primary purpose of which is to provide programs of instruction in one or more fields of vocational, technical or general education;”.

(2) Subsection 1 has effect from 1 July 1992.

330. (1) The said Act is amended by inserting, after section 16, the following section:

“**16.1.** Every recipient of a zero-rated supply of a product mentioned in paragraph 1.1 of section 177 who begins, at any time, to use the product to make wine or beer shall, immediately after that time, pay to the Minister a tax in respect of the product equal to 6.5% of the value of the consideration for the supply.

This section does not apply in respect of a product that a registrant begins to use exclusively in the course of his commercial activities and in respect of which the registrant would be entitled to claim an input tax refund had he paid the tax provided for in the first paragraph in respect of the product.”

(2) Subsection 1 has effect in respect of zero-rated supplies made after 15 May 1996.

331. (1) Section 17.0.1 of the said Act, enacted by section 250 of chapter 1 of the statutes of 1995 and amended by section 302 of chapter 63 of the statutes of 1995, is again amended

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

“(1) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is brought into Québec, of the *Guide d'Évaluation des Automobiles* published by *Hebdo Mag Inc.*, that price less an amount of \$500;”;

(2) by inserting, after paragraph 1, the following paragraph:

“(1.1) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is brought into Québec, of the *Guide d'Évaluation des Camions Légers* published by *Hebdo Mag Inc.*, that price less an amount of \$500;”.

(2) Subsection 1 has effect in respect of a bringing into Québec after 30 September 1996.

332. (1) The said Act is amended by inserting, after section 17.6, the following section:

“**17.7.** Subject to section 404, an individual is entitled to a rebate of tax paid under section 17 in respect of the bringing into Québec of a pleasure boat for the purpose of storing it during the winter where

(1) the individual paid tax in respect of the bringing into Québec of the pleasure boat ;

(2) the pleasure boat is taken or shipped outside Québec within a reasonable period of time after the winter storage ;

(3) within four years after the date on which the pleasure boat was taken or shipped outside Québec, the individual files with the Minister an application, in prescribed form containing prescribed information, for a rebate of the tax ; and

(4) the application for a rebate is filed with proof establishing that the individual paid tax in respect of the pleasure boat and that the pleasure boat was shipped or taken outside Québec after the winter storage.”

(2) Subsection 1 has effect in respect of pleasure boats brought into Québec after 9 May 1996.

333. (1) Section 55.0.2 of the said Act, enacted by section 263 of chapter 1 of the statutes of 1995 and amended by section 330 of chapter 63 of the statutes of 1995, is again amended

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

“(1) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is supplied, of the *Guide d'Évaluation des Automobiles* published by *Hebdo Mag Inc.*, that price less an amount of \$500;” ;

(2) by inserting, after paragraph 1, the following paragraph :

“(1.1) in the case of a vehicle for which an average wholesale price is listed in the most recent edition, on the first day of the month in which the vehicle is supplied, of the *Guide d'Évaluation des Camions Légers* published by *Hebdo Mag Inc.*, that price less an amount of \$500;”.

(2) Subsection 1 has effect in respect of supplies made after 30 September 1996.

334. (1) Section 177 of the said Act is amended by inserting, after paragraph 1, the following paragraph :

“(1.1) grapes, juice and concentrated or non-concentrated must, malt, malt extract and other similar products intended for the making of wine or beer;”.

(2) Subsection 1 has effect in respect of supplies made after 15 May 1996.

335. (1) Division VI.1 of Chapter IV of Title I of the said Act is repealed.

(2) Subsection 1 has effect in respect of supplies made from 1 April 1997. However, it does not apply in respect of a supply of an eligible hotel package that was a zero-rated supply before that date.

336. (1) The said Act is amended by inserting, after section 198, the following section :

“**198.1.** The following are zero-rated supplies :

(1) a supply of a printed book or its updating, identified by an International Standard Book Number (ISBN) assigned according to the international book numbering system ;

(2) a supply of a talking book or of its carrier, acquired by a person as a result of a visual handicap.”

(2) Subsection 1 has effect in respect of supplies made after 9 May 1996.

337. (1) Section 223 of the said Act is amended by replacing the portion before subparagraph 1 of the first paragraph by the following :

“**223.** Subject to sections 224.1 to 224.5, where the construction or substantial renovation of a residential complex that is a single unit residential complex or a residential unit held in co-ownership is substantially completed, the builder of the complex is deemed”.

(2) Subsection 1 has effect in respect of

(a) a supply of a residential complex deemed to have been made under section 223 after 9 May 1996 ;

(b) a supply of a residential complex deemed to have been made under section 223 during the period that began on 9 May 1995 and that ended on 9 May 1996 if an election under section 224.1 is made in prescribed form containing prescribed information and filed on or before 1 September 1996, except in the case of a supply made by sale of the residential complex on or before 9 May 1996.

338. (1) Section 224 of the said Act, amended by section 135 of chapter 3 of the statutes of 1997, is again amended by replacing the portion before subparagraph 1 of the first paragraph by the following :

“**224.** Subject to sections 224.1 to 224.5, where the construction or substantial renovation of a residential complex held in co-ownership is substantially completed, the builder of the unit is deemed”.

(2) Subsection 1 has effect in respect of

(a) a supply of a residential complex deemed to have been made under section 223 after 9 May 1996;

(b) a supply of a residential complex deemed to have been made under section 223 during the period that began on 9 May 1995 and that ended on 9 May 1996 if an election under section 224.1 is made in prescribed form containing prescribed information and filed on or before 1 September 1996, except in the case of a supply made by sale of the residential complex on or before 9 May 1996.

339. (1) The said Act is amended by inserting, after section 224, the following sections:

“224.1. Notwithstanding section 428, a builder of a residential complex who is registered under Division I of Chapter VIII may make an election to not include in determining the net tax of the builder for a particular reporting period of the builder the tax deemed under subparagraphs *a* and *c* of subparagraphs 1 and 2 of the second paragraph of section 223 or 224 to have been collected by the builder during the particular period in respect of the residential complex.

However, the first paragraph applies only where the residential complex is built by the builder for the purpose of using it in the course of the builder's business of supplying immovables by way of sale otherwise than by the sole application of section 223 or 224.

“224.2. Where a builder having made an election under section 224.1 in respect of a residential complex makes, within 12 months following the supply deemed to have been made under section 223 or 224, a supply of the residential complex by way of sale, other than a supply deemed to have been made under the provisions of this Title, section 223 or 224, as the case may be, is deemed not to have applied, except for the purpose of computing the interest payable by the builder under the first paragraph of section 224.4.

However, if no supply of the residential complex by way of sale is made by the builder within 12 months following the supply deemed to have been made under section 223 or 224, the presumption established in the first paragraph does not apply and the builder shall include, in determining the net tax of the builder for a reporting period that ends on or before the day after the 12-month period following the supply deemed to have been made under section 223 or 224, the tax deemed to have been collected by the builder in respect of the residential complex.

“224.3. A builder having made an election under section 224.1 in respect of a residential complex shall

(1) make the election in prescribed form containing prescribed information ;
and

(2) file the election with the Minister on or before the last day of the month following the month in which the builder is deemed to have made the supply of the residential complex under section 223 or 224.

“224.4. A builder having made an election under section 224.1 in respect of a residential complex shall pay interest at the rate determined in section 28 of the Act respecting the Ministère du Revenu (chapter M-31) on the tax payable in respect of the supply deemed to have been made under section 223 or 224 for the period that begins on the day on which the builder is deemed to have made the supply of the residential complex and that ends on the earliest of

(1) the day after the 12-month period following the supply deemed to have been made under section 223 or 224 ;

(2) the day on which the tax under section 16 is payable in respect of the supply of the residential complex by way of sale in the circumstances described in the first paragraph of section 224.2 ; and

(3) the day on which the builder remits the tax the builder is deemed under section 223 or 224 to have collected in respect of the residential complex.

There shall be added, in determining the net tax of the builder for the reporting period of the builder during which the builder is required to include, in determining that net tax, any tax that has become collectible, has been collected or is deemed to have been collected by the builder in respect of the residential complex, the amount equal to the interest payable under the first paragraph.

However, the first paragraph does not apply where the builder remits to the Minister the tax deemed under section 223 or 224 to have been collected by the builder in respect of the residential complex on or before the day on which the builder is required to file an election under section 224.3.

“224.5. Where the builder makes an election under section 224.1 in respect of a residential complex, the following rules apply, with the necessary modifications :

(1) where section 75.1 applies, the recipient of the supply is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made ;

(2) where section 76 applies, the new corporation is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made ;

(3) where section 77 applies, the other corporation is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(4) where section 326 applies, the estate is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made; similarly, if section 80 applies, the other individual is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(5) where a supply is deemed to be made under section 320, the creditor is deemed to be the builder of the residential complex from the time the supply is deemed under section 223 or 224 to have been made;

(6) where a supply is deemed to have been made under a provision of this Title, other than a supply deemed to have been made under section 320, the second paragraph of section 224.2 applies immediately before the time of the supply and the builder is required to include in determining the net tax of the builder for the builder's reporting period during which the builder is deemed to have made the supply, the tax that is deemed to have been collected under section 223 or 224 by the builder in respect of the residential complex."

(2) Subsection 1 has effect in respect of

(a) a supply of a residential complex deemed to have been made under section 223 or 224 after 9 May 1996;

(b) a supply of a residential complex deemed to have been made under section 223 or 224 during the period that began on 9 May 1995 and that ended on 9 May 1996 if an election under section 224.1 is made in prescribed form containing prescribed information and filed on or before 1 September 1996, except in the case of a supply made by way of sale of the residential complex on or before 9 May 1996.

340. (1) The said Act is amended by inserting, after section 297.1.9, the following sections:

"297.1.10. Where a direct seller who is a registrant is granted approval under subsection 3 of section 178.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the following rules apply:

(1) the direct seller is not required to file an application under section 297.1.1;

(2) the direct seller is deemed to have been granted approval under section 297.1.3 and the time or day on which the approval becomes effective is the same as the day on which the approval granted under subsection 3 of section 178.2 of that Act becomes effective; and

(3) the approval deemed to have been granted to the direct seller under section 297.1.3 is deemed

(a) to have been revoked on the day on which revocation of the approval granted under subsection 3 of section 178.2 of that Act becomes effective and the revocation is deemed to be in effect on that day, and

(b) to have ceased to have effect on the day on which the approval referred to in subparagraph *a* ceased to have effect.

The Minister may require to be informed by the direct seller in the manner prescribed by the Minister in prescribed form containing prescribed information, and within the time determined by the Minister, of an approval granted under subsection 3 of section 178.2 of that Act, of a revocation of that approval or of the fact that an approval has ceased to have effect, or require the direct seller to send notice of an approval or of its revocation to the Minister.

“297.1.11. Where a direct seller and a distributor of the direct seller who are registrants have been granted approval under subsection 4 of section 178.2 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), the following rules apply :

(1) the direct seller and the distributor are not required to file a joint application under section 297.1.2 ;

(2) the direct seller and the distributor are deemed to have been granted an approval under section 297.1.4 which becomes effective on the day on which the approval granted under subsection 4 of section 178.2 of that Act becomes effective ; and

(3) the approval deemed to have been granted to the direct seller and the distributor under section 297.1.4 is deemed

(a) to have been revoked on the day on which the approval granted under subsection 4 of section 178.2 of that Act becomes effective and the revocation is deemed to be in effect on that day, and

(b) to have ceased to have effect on the day on which the approval referred to in subparagraph *a* ceased to have effect.

The Minister may require to be informed by the direct seller or the distributor in the manner prescribed by the Minister in prescribed form containing prescribed information, and within the time determined by the Minister, of an approval granted under subsection 4 of section 178.2 of that Act, of a revocation of that approval or of the fact that an approval has ceased to have effect, or require the direct seller or the distributor to send notice of an approval or of its revocation to the Minister.”

(2) Subsection 1 has effect from 1 August 1995.

341. (1) Section 341.4 of the said Act, amended by section 416 of chapter 63 of the statutes of 1995, is again amended

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

“**341.4.** Where a public service body makes a taxable supply, other than a supply of alcoholic beverages or of an immovable by way of sale, or other than the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2), through a division or branch of the body and the consideration or a part thereof for the supply becomes due to the body at a time when the division or branch is a small supplier division or is paid to the body at such a time without having become due,”;

(2) by adding the following paragraph:

“However, the exception provided for in the first paragraph in respect of the supply of alcoholic beverages does not apply if the supply is made by a public service body which is not required to be registered under this Title at the time of the supply.”

(2) Paragraph 1 of subsection 1 has effect from 22 June 1995. However, for the period from 22 June 1995 to 31 July 1995, the portion of section 341.4 before paragraph 1, enacted by paragraph 1 of subsection 1, shall be read as follows:

“**341.4.** Where a public service body makes a taxable supply, other than a supply of an immovable by way of sale or other than the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2), through a division or branch of the body and the consideration or a part thereof for the supply becomes due to the body at a time when the division or branch is a small supplier division or is paid to the body at such a time without having become due,”.

(3) Paragraph 2 of subsection 1 has effect from 1 August 1995.

342. (1) Section 352 of the said Act, amended by section 435 of chapter 63 of the statutes of 1995, is again amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) in other cases, within 60 days after the day on which the tax became payable.”

(2) Subsection 1 has effect from 1 July 1992.

343. (1) Section 358 of the said Act, amended by section 306 of chapter 1 and section 437 of chapter 63 of the statutes of 1995, and by section 135 of chapter 3 of the statutes of 1997, is again amended

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

$$“A \times (B + C)”;$$

(2) by adding, in the second paragraph, the following subparagraph :

“(3) C is the amount paid by the individual in the year and which may or could, were it not for sections 752.0.18.7 and 752.0.18.9 of the Taxation Act, be included in the aggregate referred to in section 752.0.18.3 or 752.0.18.8 of that Act and that refers to the supply in Québec of the other property or to the supply of the service, including the tax paid or payable under this Title and Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).”;

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

“This section does not apply where the individual has received in respect of the amount represented by the letter B or C in the formula under this section an allowance from a person, other than an allowance that, at the time the allowance was paid, the person considered was not a reasonable allowance for the purposes of paragraph *e* of section 39 or section 40 of the Taxation Act or, where that person is a partnership of which the individual is a member, would not have been a reasonable allowance for the purposes of paragraph *e* of section 39 or section 40 had the member been an employee of that partnership at that time.”

(2) Subsection 1 has effect from the taxation year 1997.

344. (1) Section 386 of the said Act, amended by section 440 of chapter 63 of the statutes of 1995, is again amended by replacing subparagraph 4 of the first paragraph by the following subparagraph :

“(4) 70% for a hospital authority.”

(2) Subsection 1 has effect in respect of tax that becomes payable after 9 May 1995 and that is not paid before 10 May 1995. However, the rate under subsection 4 of the first paragraph of section 386, enacted by subsection 1, is

(a) 66%, in respect of tax that becomes payable after 31 March 1997 and that is not paid before 1 April 1997, other than a tax referred to in any of subparagraphs *b* to *d*;

(b) 60%, in respect of tax that becomes payable after 31 March 2000 and that is not paid before 1 April 2000, other than a tax referred to in subparagraph *c* or *d*;

(c) 55%, in respect of tax that becomes payable after 31 March 2003 and that is not paid before 1 April 2003, other than a tax referred to in subparagraph *d*;

(d) 51.5%, in respect of tax that becomes payable after 31 March 2006 and that is not paid before 1 April 2006.

345. (1) The said Act is amended by inserting, after section 388.1, the following sections:

“388.2. The municipalities of Montréal and Québec are entitled, in respect of a year that begins after 1996, in addition to the rebate under section 386, to compensation paid by the Minister before 30 June each year.

The compensation is equal to the amount prescribed for the year 1996 for those municipalities under section 388.1, indexed annually according to the rate of increase in personal consumer spending for recreation and entertainment in current dollars in Québec for the 12 months of the preceding year as compared with the 12 months of the year preceding that year, as determined by the Bureau de la statistique du Québec.

The compensation is deemed to be a refund for the purposes of the Act respecting the Ministère du Revenu (chapter M-31).

“388.3. Section 69 applies, with the necessary modifications, to determine compensation under section 388.2.”

(2) Subsection 1 has effect in respect of years that begin after 1996.

346. (1) Section 404 of the said Act is amended by replacing the portion before paragraph 1 by the following:

“404. A person is not entitled to a rebate of an amount under sections 17.5 to 17.7 or under this division to the extent that it may reasonably be considered that”.

(2) Subsection 1 has effect in respect of pleasure boats brought into Québec after 9 May 1996.

347. (1) Section 406 of the said Act is repealed.

(2) Subsection 1 has effect in respect of supplies made after 9 May 1996 or to a bringing into Québec after that date.

348. (1) Section 407.2 of the said Act, enacted by section 9 of chapter 47 of the statutes of 1995, is amended by replacing the first paragraph by the following paragraph:

“407.2. Notwithstanding section 407, every person who engages in the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2) is required to be registered in respect of that activity.”

(2) Subsection 1 has effect from 22 June 1995.

349. (1) Section 417.2 of the said Act, replaced by section 454 of chapter 63 of the statutes of 1995, is again replaced by the following section:

“**417.2.** Where, at any time that an approval granted under section 297.1.3 in respect of a direct seller is in effect, an independent sales contractor, within the meaning of section 297.1, of the direct seller would be a small supplier if the approval had been in effect at all times before that time, the Minister shall cancel the registration of the independent sales contractor if

(1) the independent sales contractor files with the Minister in prescribed manner a request to that effect in prescribed form containing prescribed information; and

(2) the independent sales contractor’s registration has been cancelled under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15).

The cancellation referred to in the first paragraph is effective on the date on which the cancellation of the independent sales contractor’s registration under Part IX of the Excise Tax Act becomes effective.”

(2) Subsection 1 has effect from 1 August 1995.

350. (1) Section 490 of the said Act, amended by section 497 of chapter 63 of the statutes of 1995, is again amended by replacing subparagraph 1 of the first paragraph by the following subparagraph:

“(1) the sale of an alcoholic beverage for consumption on the premises, authorized by a permit issued under the Act respecting liquor permits (chapter P-9.1) or by a small-scale production permit issued under the Act respecting the Société des alcools du Québec (chapter S-13);”.

(2) Subsection 1 has effect from 5 July 1996.

351. (1) Section 496 of the said Act is amended in the second paragraph

(1) by replacing subparagraph 4 by the following subparagraph:

“(4) the holder of a small-scale production permit issued under the Act respecting the Société des alcools du Québec, when he makes a sale of an alcoholic beverage

(a) for consumption on the premises, to a person holding a permit authorizing the sale of alcoholic beverages for consumption on the premises issued under the Act respecting liquor permits, when the alcoholic beverage is delivered in a container identified as prescribed by the Minister, or

(b) to the Société des alcools du Québec;”;

(2) by inserting, after subparagraph 4, the following subparagraph:

“(4.1) the holder of a small-scale beer producer’s permit issued under the Act respecting the Société des alcools du Québec, when he makes a sale to the Société des alcools du Québec;”;

(3) by replacing subparagraph *a* of subparagraph 5 by the following subparagraph:

“(a) to the holder of an industrial permit, a small-scale production permit or a small-scale beer producer’s permit issued under the Act respecting the Société des alcools du Québec;”.

(2) Subsection 1 has effect from 5 July 1996.

352. Section 517 of the said Act is replaced by the following section:

“**517.** Individual insurance of persons which is incidental in a contract of insurance encompassing personal insurance and damage insurance is deemed to be damage insurance.”

353. The said Act is amended by inserting, after section 517, the following section:

“**517.1.** For the purposes of this Title, travel cancellation or interruption insurance is deemed to be damage insurance.”

354. (1) The said Act is amended by inserting, after section 541.22, the following:

“TITLE IV.2

“SPECIFIC TAX ON LODGING

“CHAPTER I

“DEFINITIONS

“**541.23.** For the purposes of this Title and the regulations made thereunder, unless the context indicates otherwise,

“calendar quarter” has the meaning assigned by section 1;

“commercial activity” has the meaning assigned by section 1;

“customer” means the recipient of a supply of a sleeping-accommodation unit, but does not include a recipient who receives a supply of a sleeping-accommodation unit only to again make a supply of it in the course of commercial activities of the recipient;

“overnight stay” means a supply of a sleeping-accommodation unit for more than six hours per period of 24 hours ;

“person” has the meaning assigned by section 1 ;

“recipient” has the meaning assigned by section 1 ;

“regulation” means the Regulation respecting tourist establishments (Order in Council 747-91 (1991, G.O. 2, 1770)), with present and future amendments ;

“sleeping-accommodation establishment” has the meaning assigned by the regulation ;

“sleeping-accommodation unit” has the meaning assigned by the regulation ;

“supply” has the meaning assigned by section 1.

“CHAPTER II

“IMPOSITION OF THE SPECIFIC TAX

“**541.24.** The customer shall, at the time of the supply of a sleeping-accommodation unit in a prescribed sleeping-accommodation establishment situated in a prescribed tourist region, pay a specific tax equal to \$2 per overnight stay for each unit.

“CHAPTER III

“ADMINISTRATION

“**541.25.** Every person who receives an amount from a customer for the supply of a sleeping-accommodation unit referred to in section 541.24 shall, as a mandatory of the Minister, collect the tax at that time.

Every person who receives an amount from a person other than a customer for the supply of such a sleeping-accommodation unit shall, as a mandatory of the Minister, collect, at that time, an amount equal to the tax.

“**541.26.** Every person who is required to collect the tax or the amount equal to the tax shall keep an account thereof and, on or before the last day of the month following the end of each calendar quarter, render an account to the Minister, in prescribed form containing prescribed information, of the tax or of the amount equal to the tax that the person has collected or should have collected for the preceding calendar quarter and, therewith, remit the tax or amount to the Minister.

The person shall render an account to the Minister even if no amount relating to the supply of a sleeping-accommodation unit giving rise to the tax or amount equal to the tax was received during the calendar quarter.

However, a person is not required to render an account to the Minister, unless the latter demands it, or to remit the tax or the amount equal to the tax to the Minister in respect of the supply of a sleeping-accommodation unit that the person has acquired from another person, where the person has remitted to that other person an amount equal to the tax in respect of the supply.

The amount equal to the tax is deemed to be a duty within the meaning of the Act respecting the Ministère du Revenu (chapter M-31).

“541.27. Where a person reimburses the total amount paid for an overnight stay in a sleeping-accommodation unit, the person shall also reimburse the tax or the amount equal to the tax that the person has collected in its respect.

The person may deduct that total amount in determining the tax for a particular reporting period in which the person remits that amount to the other person or for any subsequent period ending not later than four years after the day on which the particular period ends.

“541.28. Every person required to remit the tax to the Minister is required to register and to hold a registration certificate issued in accordance with section 541.30.

“541.29. Every person required to remit the tax to the Minister who, on 31 March 1997, holds a registration certificate issued under Title I is deemed, for the purposes of this Title, to hold, on 1 April 1997, a registration certificate issued in accordance with section 541.30.

“541.30. Every person required under section 541.28 to be registered shall file an application for registration with the Minister before the day on which the person is first required to collect the tax.

Sections 412 and 415 apply, with the necessary modifications, to the application for registration.

“541.31. The Minister may cancel the registration of a person referred to in section 541.28.

Sections 416 and 418 apply, with the necessary modifications, to the cancellation.

“541.32. Every person required to collect the tax or the amount equal to the tax shall indicate the amount of the tax, in prescribed manner, on the invoice, receipt, writing or other document recording the amount paid or payable for a sleeping-accommodation unit.

“541.33. The Minister shall pay into the tourism partnership fund established by the Act to establish a tourism partnership fund (1996, chapter 72) the proceeds of the specific tax on lodging collected under this Title.

The payments shall be made on the dates and according to the terms and conditions agreed upon, after deduction of reimbursements and collection costs.”

(2) Subsection 1 applies in respect of the supply of a sleeping-accommodation unit billed after 31 March 1997 by a person operating a sleeping-accommodation establishment for occupancy after that date.

355. (1) Section 677 of the said Act, amended by section 349 of chapter 1 of the statutes of 1995, by section 509 of chapter 63 of the statutes of 1995 and by section 135 of chapter 3 of the statutes of 1997, is again amended, in the first paragraph, by inserting, after subparagraph 55, the following subparagraph:

“(55.1) determine, for the purposes of section 541.24, the prescribed sleeping-accommodation establishments and the prescribed tourist regions;”.

(2) Subsection 1 has effect from 1 April 1997.

FUEL TAX ACT

356. (1) Section 3 of the Fuel Tax Act (R.S.Q. , chapter T-1) is amended by replacing the second paragraph by the following paragraph:

“This section does not apply

(a) in respect of the fuel contained, on its entry into Québec, in the fuel tank of a pleasure vehicle, an aircraft or a vessel;

(b) in respect of a person who would be a carrier within the meaning of paragraph *d* of section 50.02 were it not for the fact that the person’s jurisdiction is not participating in the International Fuel Tax Agreement, where the person brings into Québec fuel acquired outside Québec and contained in the fuel tank of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, or of such a prescribed motor vehicle; or

(c) in respect of a person who would be a prescribed person within the meaning of subparagraph *i* of paragraph *d* of section 50.02 on the ground that he uses, to transport goods or passengers, a motor vehicle other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, were it not for the fact that the person’s jurisdiction is not participating in the International Fuel Tax Agreement, where the person brings fuel into Québec acquired outside Québec and contained in the fuel tank of the motor vehicle.”

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

However, for the period that begins on 1 January 1996 and that ends on 31 December 1996, the second paragraph of section 3 of the said Act, replaced by subsection 1, shall be read as follows :

“This section does not apply to the fuel contained, on its entry into Québec, in the fuel tank installed as standard equipment to supply the engine of a pleasure vehicle, of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, of an aircraft or of a vessel.”

357. (1) Section 10 of the said Act, amended by section 516 of chapter 63 of the statutes of 1995, is again amended

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

“vii. having been purchased in Québec by a person carrying on a business, was exported and used outside Québec, unless the gasoline was put in a tank supplying the engine of a pleasure vehicle, of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, of such a prescribed motor vehicle or of an aircraft;” ;

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

“ii. having been purchased in Québec by a person carrying on a business, was exported and used outside Québec, unless it was put in a tank supplying the engine of a pleasure vehicle, of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, or of such a prescribed motor vehicle;”.

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

However, for the period that begins on 1 January 1996 and that ends on 31 December 1996,

(*a*) subparagraph vii of paragraph *a* of section 10 of the said Act, replaced by subsection 1, shall be read as follows :

“vii. having been purchased in Québec by a person carrying on a business, was exported and used outside Québec, unless the gasoline was put in a tank supplying the engine of a pleasure vehicle, of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, or of an aircraft;” ;

(b) subparagraph ii of paragraph *b* of section 10 of the said Act, replaced by subsection 1, shall be read as follows :

“ii. having been purchased in Québec by a person carrying on a business, was exported and used outside Québec, unless it was put in a tank supplying the engine of a pleasure vehicle, of a motor vehicle used to transport goods or passengers other than a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12;”

358. (1) Section 16 of the said Act is replaced by the following section :

“**16.** Every person referred to in subparagraph *b* of the second paragraph of section 3 who brings fuel into Québec acquired outside Québec and contained in the fuel tank installed as standard equipment to supply the engine of a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, shall, before each trip, obtain from the Minister or any person authorized by the Minister a certificate for occasional trips. The Government may, by regulation, determine the duties to be paid and the terms and conditions governing the issue and keeping of the certificate.”

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

However, for the period that begins on 1 January 1996 and that ends on 31 December 1996, section 16 of the said Act, replaced by subsection 1, shall be read as follows :

“**16.** Every person referred to in section 3 who brings fuel into Québec acquired outside Québec and contained in the fuel tank installed as standard equipment to supply the engine of a motor vehicle other than a pleasure vehicle or a motor vehicle used to transport goods or passengers that is not a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, shall

(a) immediately report that fact to the Minister;

(b) pay at the same time to the Minister the tax provided for in section 3;

(c) not later than the last day of the month following each quarter ending on 31 March, 30 June, 30 September and 31 December in a year, in the case of the holder of a registration certificate described in section 23, file with the Minister, using the form prescribed by the Minister, a statement showing the quantity in litres of fuel used in Québec during the preceding quarter, and any other information prescribed by regulation.

However, a person referred to in section 3 who only occasionally brings fuel into Québec in the manner described in the first paragraph may, before each trip, obtain from the Minister or any person authorized by the Minister, a certificate exempting him from the obligations provided in subparagraphs *b*

and *c* of the first paragraph. The Government may, by regulation, define the word “occasionally” and determine the duties to be paid and the terms and conditions governing the issue of the certificate.”

359. (1) Section 23 of the said Act is amended by striking out the third paragraph.

(2) Subsection 1 has effect from 1 January 1997.

In addition, for the period that begins on 1 January 1996 and that ends on 31 December 1996, the third paragraph of section 23 of the said Act, struck out by subsection 1, shall be read as follows :

“Every person referred to in section 3 who brings fuel into Québec acquired outside Québec and contained in the tank supplying the engine of a motor vehicle other than a pleasure vehicle or a motor vehicle used to transport goods or passengers that is not a prescribed motor vehicle, as determined under subparagraph 3 of the first paragraph of section 50.12, has the same obligation, unless he holds a certificate contemplated in the second paragraph of section 16.”

360. (1) Section 23.1 of the said Act is replaced by the following section :

“**23.1.** Every person who fails to obtain the certificate required under section 16 shall, if the failure is ascertained by a person authorized by the Minister, obtain a restricted certificate without delay.

The certificate is valid for only the time prescribed. It shall be issued, by the authorized person, on payment of the fees and duties prescribed by regulation.”

(2) Subsection 1 has effect from 1 January 1997.

361. (1) Section 25 of the said Act is amended by striking out the second paragraph.

(2) Subsection 1 has effect from 1 January 1997.

362. (1) Section 32 of the said Act is replaced by the following section :

“**32.** Every person holding or required to hold a registration certificate or permit other than that referred to in Division IX.1 shall, in the manner prescribed by regulation, keep or prepare the registers, books of account, invoices, manifests, way-bills and other documents prescribed by regulation. He shall keep the documents in his principal place of business in Québec.”

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

363. (1) Section 43.2 of the said Act, amended by section 524 of chapter 63 of the statutes of 1995, is replaced by the following section :

“**43.2.** Every person who, in contravention of section 16, does not hold a certificate or, in contravention of section 50.06, does not hold a licence is guilty of an offence and is liable to a fine of not less than \$600 nor more than \$2,000.”

(2) Subsection 1 has effect from 1 January 1997.

364. (1) Section 50.11 of the said Act, enacted by section 526 of chapter 63 of the statutes of 1995, is amended by replacing the portion before paragraph *a* by the following :

“**50.11.** Section 3 does not apply in respect of”.

(2) Subsection 1 has effect from 1 January 1997.

365. Section 56 of the said Act, amended by section 530 of chapter 63 of the statutes of 1995 and by section 140 of chapter 65 of the statutes of 1995, is again amended

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

“Notwithstanding the first paragraph, regulations made under this Act in respect of the reimbursement of the tax increase that a person may receive in accordance with section 10.4, the reimbursement of the amount paid pursuant to section 51.1 that a person may receive in accordance with section 10.5, the terms and conditions governing the issue of the certificate referred to in the second paragraph of section 16, the conditions to be met under section 24 to obtain the registration certificate prescribed in section 23 or the reduction of the amount provided for in the second paragraph of section 51.1 in regions referred to in the second paragraph of section 2 may, after publication and if they so provide, apply from 1 January 1996.”;

(2) by adding the following paragraph :

“Notwithstanding the first paragraph, regulations made in the year 1997 under this Act in respect of the reimbursement of tax that an Indian or band may receive in accordance with section 10.2 may, after publication and if they so provide, apply to a date prior to their publication but not prior to 1 January 1991.”

ACT TO AMEND THE TAXATION ACT, THE ACT RESPECTING
THE QUÉBEC SALES TAX AND OTHER LEGISLATIVE PROVISIONS

366. (1) Section 14 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, chapter 1) is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies from the taxation year 1992. However, where the second paragraph of section 25 of the Taxation Act, enacted by subsection 1, applies

(a) to the taxation year 1992, it shall be read with “750 and 751” replaced by “750 to 752 and 758 to 766.1”, with “36.1, 309.1, 334.1 and 1029.8.50” replaced by “309.1 and 1029.8.50”, and with “, 737.16.1, 737.21 or 737.25” replaced by “or 737.21”;

(b) to the taxation year 1993, it shall be read with “750 and 751” replaced by “750, 751 and 758 to 766.1”, with “36.1, 309.1, 334.1 and 1029.8.50” replaced by “309.1 and 1029.8.50”, and with “, 737.16.1, 737.21 or 737.25” replaced by “or 737.21”;

(c) to the taxation year 1994, it shall be read with “, 737.16.1, 737.21 or 737.25” replaced by “or 737.21”.

(2) Subsection 1 has effect from 30 January 1995.

367. (1) Section 20 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies from the taxation year 1995. Furthermore, where section 79.1 of the Taxation Act, repealed by subsection 1, applies to the 1980 to 1994 taxation years, the reference therein to “by a specified employer” shall be read as a reference to “by the same specified employer”, except where it applies in respect of cases pending on 1 January 1996 and notices of objection served on the Minister of Revenue on or before that date, where one of the issues in dispute on that date concerns the manner of computing the deduction available to an individual under the said section 79.1 and the ground, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, alleges that there is no specification in the said section 79.1 to the effect that the individual must be employed for a period of at least 30 consecutive days by the same specified employer.”

(2) Subsection 1 has effect from 30 January 1995.

368. (1) Section 30 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies in respect of amounts received after 31 December 1991.”

(2) Subsection 1 has effect from 30 January 1995.

369. (1) Section 38 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies in respect of amounts paid after 31 December 1991.”

(2) Subsection 1 has effect from 30 January 1995.

370. (1) Section 69 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies from the 1995 taxation year. However, where section 737.25 of the Taxation Act, enacted by subsection 1, applies to the 1995 taxation year, the reference therein to “by a specified employer” in subparagraph *a* of the first paragraph shall be read as a reference to “by the same specified employer”, except where it applies in respect of cases pending on 1 January 1996 and notices of objection served on the Minister of Revenue on or before that date, where one of the issues in dispute on that date concerns the manner of computing the deduction available to an individual under the said section 737.25 and the ground, expressly raised on or before that date in the motion for appeal or notice of objection previously served on the Minister of Revenue, or in the notice of objection, as the case may be, alleges that there is no specification in the said section 737.25 to the effect that the individual must be employed for a period of at least 30 consecutive days by the same specified employer.”

(2) Subsection 1 has effect from 30 January 1995.

371. (1) Section 84 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1 applies in respect of amounts received after 31 December 1991. However, where the portion of the first paragraph of section 766.2 of the Taxation Act before paragraph *a*, enacted by subsection 1, applies in respect of amounts received before 1 January 1994, it shall be read with “36.1 or 309.1” replaced by “309.1”.”

(2) Subsection 1 has effect from 30 January 1995.

372. (1) Section 85 of the said Act is amended by replacing subsection 2 by the following subsection :

“(2) Subsection 1, where it enacts section 766.3 of the Taxation Act, applies in respect of amounts received after 31 December 1991, and where it enacts Chapter II.2 of Title I of Book V of Part I of the said Act, it applies in respect of amounts paid after 31 December 1993.”

(2) Subsection 1 has effect from 30 January 1995.

373. (1) Section 219 of the said Act is amended

(1) by replacing subsection 4 by the following subsection :

“(4) Paragraph 2 of subsection 1 applies in respect of amounts received after 31 December 1992.”;

(2) by adding, after subsection 4, the following subsection :

“(5) Paragraph 4 of subsection 1 applies in respect of amounts paid after 31 December 1993.”

(2) Subsection 1 has effect from 30 January 1995.

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

374. (1) Section 11 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (1995, chapter 48) is amended, in paragraph 1, by replacing “60 years” by “55 years”.

(2) Subsection 1 applies to redemptions of shares or fractional shares made after 9 May 1996.

ACT TO AMEND THE TAXATION ACT, THE ACT RESPECTING THE
QUÉBEC SALES TAX AND OTHER LEGISLATIVE PROVISIONS

375. (1) Section 175 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, chapter 63) is amended

(1) by replacing the portion before the first paragraph of section 1029.8.35 of the Taxation Act (R.S.Q., chapter I-3), enacted by subsection 1, by the following :

“**175.** (1) Section 1029.8.35 of the said Act, amended by section 50 of chapter 21 of the statutes of 1994, is again amended by replacing the first and second paragraphs by the following paragraphs :”;

(2) by replacing, in the first paragraph of section 1029.8.35 of the Taxation Act, enacted by subsection 1, the words “Société générale des industries culturelles” by the words “Société de développement des entreprises culturelles”.

(2) Subsection 1 has effect from 15 December 1995.

376. (1) Section 193 of the said Act is amended

(1) by replacing subparagraph *d* of the second paragraph of section 1029.8.36.32 of the Taxation Act, enacted by subsection 1 of that section 193, by the following subparagraph :

“(d) an expenditure made in the taxation year within the framework of an environmental technology innovation project, other than such an expenditure made after 9 May 1995 in accordance with a decision made after that date and, where applicable, pursuant to a contract entered into after that date;”;

(2) by inserting, after subparagraph *d* of the second paragraph of section 1029.8.36.32 of the Taxation Act, enacted by subsection 1 of that section 193, the following subparagraph :

“(d.1) in the case of a catalyst project or a pre-competitive research project, an expenditure made in the taxation year

i. in accordance with a validation certificate issued or a decision made on or before 9 May 1995 and, where applicable, pursuant to a contract entered into on or before that date, or

ii. within the framework of such a project where the following conditions are met :

(1) in the case of a catalyst project, the application for recognition was filed with the Fonds de développement technologique on or before 9 May 1995 ;

(2) in the case of a pre-competitive research project, the application for a validation certificate was filed with the Minister of Industry, Trade, Science and Technology on or before 9 May 1995 ;

(3) the amount of expenditures made within the framework of the catalyst project or the pre-competitive research project, as the case may be, does not exceed the amount provided therefor in the applications referred to in subparagraphs 1 and 2 ;

(4) the recognition or the validation certificate, as the case may be, is obtained on or before 31 December 1996;”;

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

“(d) in the case of an environmental technology innovation project, in respect of an expenditure made after 9 May 1995 in accordance with a decision made after that date and, where applicable, pursuant to a contract entered into after that date;”;

(4) by inserting, after paragraph *d* of subsection 3, the following paragraph :

“(d.1) in the case of a catalyst project or a pre-competitive research project, in respect of an expenditure made in the taxation year, other than such an expenditure made

i. in accordance with a validation certificate issued or a decision made on or before 9 May 1995 and, where applicable, pursuant to a contract entered into on or before that date, or

ii. within the framework of such a project where the following conditions are met:

(1) in the case of a catalyst project, the application for recognition was filed with the Fonds de développement technologique on or before 9 May 1995;

(2) in the case of a pre-competitive research project, the application for a validation certificate was filed with the Minister of Industry, Trade, Science and Technology on or before 9 May 1995;

(3) the amount of expenditures made within the framework of the catalyst project or the pre-competitive research project, as the case may be, does not exceed the amount provided therefor in the applications referred to in subparagraphs 1 and 2;

(4) the recognition or the validation certificate, as the case may be, is obtained on or before 31 December 1996;”.

(2) Subsection 1 has effect from 15 December 1995.

377. (1) Section 210 of the said Act is repealed.

(2) Subsection 1 has effect from 15 December 1995.

378. (1) Section 351 of the said Act is replaced by the following section:

“**351.** (1) The said Act is amended by inserting, after section 206.6, the following section:

“**206.7.** Paragraph 5 of section 206.1 does not apply in respect of the supply of a 1-800 or 1-888 telephone service or in respect of the supply of a telecommunication service related to a 1-800 or 1-888 telephone service.”

(2) Subsection 1 applies

(a) in respect of tax that becomes payable after 9 May 1995 and is not paid before 10 May 1995 in relation to the supply of a 1-800 telephone service or a telecommunication service related to a 1-800 telephone service;

(b) in respect of tax that becomes payable after 1 March 1996 and is not paid before 2 March 1996 in relation to the supply of a 1-888 telephone service or a telecommunication service related to a 1-888 telephone service.”

(2) Subsection 1 has effect from 15 December 1995.

379. (1) Section 505 of the said Act is repealed.

(2) Subsection 1 has effect from 15 December 1995.

380. (1) Section 550 of the said Act is amended

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

“However, where a person becomes a registrant after 1 August 1995, the total of amounts determined under the first paragraph in respect of the person is deemed to be nil for the purpose of calculating the total of amounts determined under that paragraph, except where”;

(2) by inserting, after the third paragraph, the following paragraph :

“In the case of a person referred to in subparagraph 1 of the second paragraph who becomes a registrant on or before 1 August 1995, the first paragraph shall apply by replacing therein the word “person” by the words “amalgamated corporations” where

(1) the person’s last fiscal year ending before 1 August 1995 is the person’s first fiscal year;

(2) the person’s first fiscal year ends on or after 1 August 1995.”

(2) Subsection 1 has effect from 15 December 1995. In addition, where section 550 of the said Act applies after 19 March 1997, the references in the French text thereof to “corporation” and “corporations” shall be read as references to “société” and “sociétés”.

(3) Section 1.1 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) applies to subsection 2, with the necessary modifications.

381. (1) Section 551 of the said Act is amended by replacing subparagraph 4 of the second paragraph by the following subparagraph :

“(4) an insurer;”.

(2) Subsection 1 has effect from 15 December 1995. In addition, where section 551 of the said Act applies after 19 March 1997, the reference in the French text thereof to “corporation” shall be read as a reference to “société”.

(3) Section 1.1 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) applies to subsection 2, with the necessary modifications.

382. The regulations to be made pursuant to paragraph 1 of section 16 of the Act respecting Québec business investment companies (R.S.Q., chapter S-29.1), and those to be made as a consequence of the striking out, by section 327, of paragraph 9 of that section 16, between the date of coming into force of this Act and 31 December 1997, may provide that their provisions apply in respect of investments made by a Québec business investment company on a date not earlier than 10 May 1996.

383. This Act comes into force on 22 May 1997.

Coming into force of Acts

Gouvernement du Québec

O.C. 714-97, 28 May 1997

An Act respecting the Régie de l'énergie (1996, c. 61)

— Coming into force of certain provisions

COMING INTO FORCE of certain provisions of the Act respecting the Régie de l'énergie concerning natural gas

WHEREAS the Act respecting the Régie de l'énergie (1996, c. 61) was assented to on 23 December 1996;

WHEREAS section 173 of the Act provides that the provisions of the Act come into force on the date or dates to be fixed by the Government, except section 139 which came into force on 23 December 1996, with the exception of paragraph *d* of subparagraph 1 of section 45.1 of the Act respecting the use of petroleum products (R.S.Q., c. U-1.1);

WHEREAS under Order in Council 144-97 dated 5 February 1997, sections 8 and 165 of the Act came into force on 5 February 1997;

WHEREAS under Order in Council 275-97 dated 5 March 1997, section 134 of the Act respecting the Régie de l'énergie came into force on 1 May 1997, with the exception of the first paragraph of section 16 of the Act respecting municipal and private electric power systems (R.S.Q., c. S-41), enacted by section 134;

WHEREAS under Order in Council 657-97 dated 13 May 1997, sections 6, 7, 9, 10, 12, 60 to 62, 122, 135, 148 and 171 of the Act came into force on 13 May 1997 and sections 4, 13 to 15 and 19 to 22 will come into force on 2 June 1997;

WHEREAS under section 172 of the Act, the Government may provide that a provision of the Act comes into force on different dates according as it applies to electric power, to natural gas, to steam or to petroleum products;

WHEREAS it is expedient to fix 2 June 1997 as the date of coming into force of sections 2, 3, 5, 11, 16, 17, the first paragraph of section 18, sections 23, 26 to 30, the second paragraph of section 31, sections 33 and 34, 37 to 41, 63 to 71, 77 to 79, 81 to 85, 104 to 109, 113, 115,

128, 129, 132, 142 to 144, 146, 157 to 159, 161, 162, 166 and 170 of the Act respecting the Régie de l'énergie;

Whereas it is expedient to fix 2 June 1997 as the date of coming into force, as they apply to natural gas, of sections 1, 25, the first paragraph of section 31 with the exception of subparagraph 3, sections 32, 35, 36, 42 to 54, 73 to 75, 80, 86 to 103, 110 to 112, paragraphs 1 to 6 of section 114 and sections 116, 117 and 147 of the Act respecting the Régie de l'énergie;

IT IS ORDERED, therefore, upon the recommendation of the Minister of State for Natural Resources:

THAT 2 June 1997 be fixed as the date of coming into force of sections 2, 3, 5, 11, 16, 17, the first paragraph of section 18, sections 23, 26 to 30, the second paragraph of section 31, sections 33 and 34, 37 to 41, 63 to 71, 77 to 79, 81 to 85, 104 to 109, 113, 115, 128, 129, 132, 142 to 144, 146, 157 to 159, 161, 162, 166 and 170 of the Act respecting the Régie de l'énergie (1996, c. 61);

THAT 2 June 1997 be fixed as the date of coming into force, as they apply to natural gas, of sections 1, 25, the first paragraph of section 31 with the exception of subparagraph 3, sections 32, 35, 36, 42 to 54, 73 to 75, 80, 86 to 103, 110 to 112, paragraphs 1 to 6 of section 114 and sections 116, 117 and 147 of that Act.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

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Regulations and Other Acts

Gouvernement du Québec

O.C. 706-97, 28 May 1997

An Act respecting the conservation and development of wildlife
(R.S.Q., c. C-61.1)

Aquaculture and the sale of fish — Amendments

Regulation to amend the Regulation respecting aquaculture and the sale of fish

WHEREAS in accordance with paragraphs 1 to 4, 6 and 7 of section 73 of the Act respecting the conservation and development of wildlife (R.S.Q., c. C-61.1), the Government may, by regulation,

(1) establish fish-breeding areas and determine the fish, amphibians or classes of live fish or amphibians that may be produced, used for stocking purposes, kept in captivity, propagated or transported;

(2) determine the fish or classes of live fish that may be kept in captivity, produced or propagated in a fishing pond, a breeding pond or a fish-tank for baitfish and the norms and obligations relating to such activities;

(3) determine the norms and obligations relating to the transport and use for stocking purposes of fish or amphibians or classes of live fish or amphibians, except those intended for consumption;

(4) determine territories where the operation of fishing ponds, breeding ponds, fish-tanks for baitfish or fish-breeding plants may be prohibited or restricted for wildlife conservation purposes and, for such purposes, fix special norms relating to the construction, layout or equipment thereof;

(6) prescribe the books, accounts and registers which the holder of a licence to operate a fishing pond, a breeding pond or a fish-tank for baitfish shall keep, the reports he shall furnish to the Minister and the documents or forms he shall use in carrying on his activities;

(7) make provisions respecting contagious or parasitic diseases for the purposes of sections 74 and 75;

WHEREAS in accordance with paragraphs 8 to 10, 14, 16 and 23 of section 162 of the Act, the Government

may, in addition to the other regulatory powers conferred on it by the Act, make regulations

(8) fixing types and classes of licences and certificates, in particular, for residents and non-residents, and limiting the number of licences of each class for a territory or area it indicates;

(9) determining the conditions that must be fulfilled by the applicant or holder of a licence or certificate, and the obligations with which the holder of a licence or certificate must comply; the conditions and obligations may vary, namely according to the age of the applicant or holder;

(10) determining the form, tenor and term of a licence or certificate, the mode and cost of its issue, replacement and renewal according to the category and age of persons concerned or according to the species of wildlife sought or the age or sex of animals, and the obligations of holders respecting a change of address;

(14) determining the provisions of a regulation the infringement of which constitutes an offence;

(16) prescribing norms and obligations respecting the transportation, possession and registration of animals or fish;

(23) determining the conditions required for importing or exporting an animal, fish or pelt to or from Québec or prohibiting the importing of any animal it may indicate;

WHEREAS under the first paragraph of section 70 of the Act, no person may sell, purchase or offer to purchase fish the sale of which is prohibited by regulation;

WHEREAS under the second paragraph of section 70 of the Act, the Government may, by regulation, authorize the sale of any class of fish of a species contemplated in the first paragraph of that section according to such norms and conditions as it may determine;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting aquaculture and the sale of fish was published in Part 2 of the *Gazette officielle du Québec* of 19 February 1997, with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of the Environment and Wildlife:

THAT the Regulation to amend the Regulation respecting aquaculture and the sale of fish, attached to this Order in Council, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting aquaculture and the sale of fish

An Act respecting the conservation and development of wildlife
(R.S.Q., c. C-61.1, s. 70, s. 73, pars. 1 to 4, 6 and 7, and s. 162, pars. 8 to 10, 14, 16 and 23)

1. The Regulation respecting aquaculture and the sale of fish, made by Order in Council 1302-94 dated 17 August 1994, is hereby amended by adding the following paragraph after the fourth paragraph of section 4:

“The transport of live fish in transit intended for exportation outside Québec is authorized in all the areas.”.

2. The following is substituted for section 17:

“**17.** The information referred to in section 16 shall be entered on the licence issued by the Minister and constitutes the obligations with which the holder of a licence must comply.”.

3. The following is substituted for sections 20 to 25:

“**20.** For the purposes of section 50 of the Act, a licence for extracting roe and milt shall be issued by the Minister to a natural person who already holds a licence issued for scientific, educational or management purposes under section 19 of the Québec Fishery Regulations, who applies therefor and who pays the fee determined under the Regulation respecting the scale of fees and duties related to the development of wildlife.

21. The holder of a licence for extracting roe and milt shall carry the licence with him and shall show it to a wildlife conservation officer on request.

22. A licence for extracting roe and milt is valid for a maximum period of 3 months.”.

4. The following is substituted for paragraphs 1 to 17 of section 30:

- “(1) largemouth bass;
- (2) smallmouth bass;
- (3) northern pike;
- (4) chain pickerel;
- (5) walleye;
- (6) sauger;
- (7) rainbow smelt;
- (8) pygmy smelt;
- (9) burbot;
- (10) muskellunge;
- (11) landlocked Arctic char;
- (12) anadromous Arctic char;
- (13) landlocked brook trout;
- (14) anadromous brook trout;
- (15) splake trout or splake 2 trout;
- (16) ouananiche (freshwater Atlantic salmon);
- (17) yellow perch;
- (18) Atlantic salmon;
- (19) lake trout;
- (20) rainbow trout; or
- (21) brown trout.”.

5. The following is substituted for section 31:

“**31.** Notwithstanding section 30, a person may sell or purchase fish of the species listed in that section, where the fish were caught by the holder of a commercial fishing licence issued under the Québec Fishery Regulations, are sold by the holder of a licence to operate a fishing pond, come from a fish-breeding plant or are imported and were not caught under a sport fishing licence in accordance with the statutes and regulations of the exporting province, territory of Canada or country, and where the following conditions are met, as applicable:

(1) ouananiche (freshwater Atlantic salmon) and Atlantic salmon, where imported into Québec, shall bear a tag of a type approved by the Minister and affixed in the manner approved by the Minister, or a tag in compliance with the statutes and regulations of the exporting province, territory of Canada or country;

(2) ouananiche (freshwater Atlantic salmon) and Atlantic salmon that come from a fish-breeding plant or a fishing pond, except where intended for exportation, shall bear a tag of a type approved by the Minister and affixed in the manner approved by the Minister; and

(3) anadromous Arctic char and Atlantic salmon that are caught by the holder of a commercial fishing licence shall be tagged in accordance with the Québec Fishery Regulations.”.

6. The following is substituted for section 32:

“**32.** The holder of a licence to operate a fishing pond, the holder of a licence to operate a fish-breeding plant and the holder of a commercial fishing licence shall, except in respect of the sale of baitfish, provide any person to whom he sells fish listed in section 31 with a numbered bill on which the licence holder has entered the following information:

(a) his full name and address;

(b) the date and place of the sale;

(c) the species and number of the farmed fish or the commercially caught fish sold.

The licence holder shall keep a copy of the bill referred to in the first paragraph or shall enter the above information in an appropriate register.

Licence holders referred to in the first paragraph who meet the requirements of sections 2.2.5 and 2.2.6 of the Regulation respecting food (R.R.Q., 1981, c. P-29, r. 1) or section 15 of the Commercial Aquaculture Regulation (R.R.Q., 1981, c. P-9.01, r. 1) are deemed to meet the requirements of this section.”

7. Section 35 is amended by substituting the numeral “21” for the numerals “23, 24, 25”.

8. Schedule I is amended

(1) by adding the following words to Column IV, opposite paragraphs 1 and 2 of Item 9: “Fish must be of a genetic line that originated in the portion of the St. Lawrence watershed situated in Québec”;

(2) by adding the following words to Column IV, opposite the activity “Transport” in paragraph 3 of Item 9: “Fish must be of a genetic line that originated in the James Bay watershed”; and

(3) by substituting the following for Items 11 and 12:

“

11. All freshwater mollusks, except zebra mussels and quagga mussels	All areas	Production Keeping in captivity Breeding Transport	The species in question must already be present within the area
12. All freshwater crustaceans	All areas	Production Keeping in captivity Breeding Transport	The species in question must already be present within the area

”.

9. Schedule II is amended by substituting the technical descriptions attached hereto for the technical descriptions of areas 15 and 23.

10. The word “licence” is substituted for the word “permit” in the fourth paragraph of section 2 and in paragraph 1 of section 12 of the English version of the Regulation.

11. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

PROVINCE OF QUÉBEC
MINISTÈRE DE L'ENVIRONNEMENT ET DE LA
FAUNE

TECHNICAL DESCRIPTION

FISH-BREEDING AREAS

Area 15

That area comprises île d'Orléans and that part of Québec whose perimeter is described as follows:

Starting from the meeting point of the western limit of the right-of-way of the road running east of lac Catherine then bordering rivière Mastigouche and leading to Saint-Charles-de-Mandeville with the southeastern limit of the canton d'Angoulême, a meeting point whose coordinates are:

5 148 650 mN and 626 075 mE;

— thence, northeasterly, that southeastern limit then the southeastern limit of the canton de Chapleau to a parallel line 125 m southwest of the normal high-water mark (N.H.W.M.) on the southwest shore of lac Carufel, a meeting point whose coordinates are:

5 158 550 m N and 635 325 m E, skirting lac Bonnetterre to the north along the N.H.W.M.;

— thence, in a general northwesterly then northeasterly direction, that parallel line 125 m west then north of the N.H.W.M. on the west then north shores of lac Carufel to a parallel straight line northwesterly to the southeastern limit of the canton de Chapleau and starting from the western extremity of the N.H.W.M. on the south shore of lac des Violettes, a meeting point whose coordinates are:

5 160 220 m N and 635 700 m E, skirting lac Petit lac Carufel to the south along the N.H.W.M.;

— thence, northeasterly, that parallel straight line to the western extremity of the N.H.W.M. on the south shore of lac des Violettes, a meeting point whose coordinates are:

5 160 450 m N and 635 900 m E;

— thence, in a general northeasterly direction, the N.H.W.M. on the southeast shore of lac des Violettes then the right bank of its effluent to the southwesterly extension of the northwestern limit of lot 32 of range 1 Nord-Est of the canton de Chapleau, a meeting point whose coordinates are:

5 161 m N and 636 225 m E;

— thence, northeasterly, that extension then the northwestern limit of that lot 32 to the southwestern limit of the canton de Desaulniers, a meeting point whose coordinates are:

5 162 650 m N and 637 800 m E;

— thence, southeasterly, that southwestern limit to the northwestern limit of lot 4-A of range 1 of the canton de Desaulniers;

— thence, northeasterly, that northwestern limit to the N.H.W.M. of the right bank of rivière du Loup;

— thence, in a general southeasterly direction, that N.H.W.M. to the northwestern limit of lot 1-B of range 1 of the canton de Desaulniers;

— thence, northeasterly then southeasterly, that northwestern then northeastern limit of that lot 1-B to the southeastern limit of the canton de Desaulniers, a meeting point whose coordinates are:

5 160 300 m N and 639 750 m E;

— thence, northeasterly, that southeastern limit to the N.H.W.M. on the right bank of ruisseau Brodeur, a meeting point whose coordinates are:

5 166 150 m N and 642 450 m E;

— thence, in a general northwesterly then northeasterly and southeasterly direction, that N.H.W.M. then the N.H.W.M. on the southwest then northwest, east and north shores of lac du Vieux and on the right bank of a tributary of that lake to the southeastern limit of the canton de Desaulniers, a meeting point whose coordinates are:

5 167 100 m N and 643 300 m E;

— thence, northeasterly, that southeastern limit to its intersection with a straight line whose apex coordinates are:

5 174 100 m N and 647 900 m E;
and 5 168 400 m N and 650 400 m E, a meeting point whose coordinates are:

5 172 600 m N and 648 550 m E, skirting lac Petit lac des Pins Rouges to the north along the N.H.W.M., and skirting lac Petit lac Shawinigan and lac Marchand to the south along the N.H.W.M.;

— thence, southeasterly, a straight line to a point whose coordinates are:

5 168 400 m N and 650 400 m E, skirting lac Marchand to the east along the N.H.W.M.;

— thence, in a general southeasterly direction, a broken line whose apex coordinates are:

5 167 750 m N and 653 000 m E;
5 169 900 m N and 653 900 m E;
5 171 700 m N and 653 800 m E;
5 177 600 m N and 651 600 m E;
5 178 700 m N and 653 100 m E;
5 177 400 m N and 658 300 m E;
and 5 176 200 m N and 659 700 m E;

— thence, southeasterly, a straight line to the northwestern limit of lot 62 of range 1 of the seigneurie du Cap-de-la-Madeleine;

— thence, northeasterly then southeasterly, southerly, southwesterly, southeasterly and northeasterly, a line surveyed by Mr. Gilles Drolet, Land Surveyor, on 23 January 1975, according to the following azimuths and distances:

Azimuth	Distance
47°34'12"	336.347 m
137°10'18"	486.918 m
135°41'30"	1 256.325 m
178°23'03"	387.736 m
225°00'00"	768.370 m
132°57'00"	475.811 m
52°03'42"	762.674 m
50°04'36"	94.183 m
337°08'12"	84.552 m
354°08'42"	284.653 m
9°53'12"	217.018 m
61°40'30"	242.682 m
104°50'18"	197.663 m
46°31'24"	124.968 m
5°23'00"	105.796 m
94°14'36"	94.092 m
351°23'41"	97.963 m
50°13'18"	304.800 m

the latter point being situated on the western limit of range III (Saint-Théophile) of that seigniori, a meeting point whose coordinates are:

5 169 550 m N and 665 700 m E;

— thence, northwesterly, the dividing line between range III and ranges II and A to the southern corner of lot 498 of range B of that seigniori, a meeting point whose coordinates are:

5 170 500 m N and 664 725 m E;

— thence, northeasterly, the southeastern limit of that range B to the eastern corner of lot 493 of that range B, a meeting point whose coordinates are:

5 171 550 m N and 665 725 m E;

— thence, northwesterly, the dividing line between ranges B and IV (Saint-Alexandre) to the southern corner of lot 407 of range C of that seigniori, a meeting point whose coordinates are:

5 172 250 m N and 665 100 m E;

— thence, northeasterly, the southeastern limit of range C to the dividing line between ranges C and V (Saint-Olivier), a meeting point whose coordinates are:

5 173 325 m N and 666 150 m E;

— thence, northwesterly, that dividing line to the southern corner of lot 401 of range D of that seigniori, a meeting point whose coordinates are:

5 173 825 m N and 665 650 m E;

— thence, northeasterly, the southeastern limit of that range D to the dividing line between ranges D and VI (Saint-Adolphe) of that seigniori;

— thence, southeasterly, that dividing line to the dividing line between lots 316 and 317 of range VI (Saint-Adolphe) of that seigniori;

— thence, northeasterly, that dividing line to the southwestern corner of lot 308 of range F of that seigniori;

— thence, northeasterly, the southeastern limit of that range F to the dividing line between the seigneurie du Cap-de-la-Madeleine and the canton de Radnor, a meeting point whose coordinates are:

5 176 375 m N and 668 375 m E;

— thence, northwesterly, that dividing line to the dividing line between lots 150 and 151 of 1st range Ouest Rivière Saint-Maurice of the canton de Radnor, a meeting point whose coordinates are:

5 177 000 m N and 667 650 m E;

— thence, northeasterly, that dividing line to the dividing line between 1st and 2nd ranges Ouest Rivière Saint-Maurice of that township, a meeting point whose coordinates are:

5 178 300 m N and 668 875 m E;

— thence, southeasterly, that dividing line to the southern corner of lot 171 of that 2nd range Ouest Rivière Saint-Maurice:

— thence, northeasterly, the dividing line between lot 171 and lot 142 of 1st range Ouest Rivière Saint-Maurice of that township to the modified high-water mark (M.H.W.M.) on the right bank of rivière Saint-Maurice;

— thence, in a general northerly direction, that M.H.W.M. to the downstream side of the dam at La Tuque;

— thence, southeasterly, that downstream side to the M.H.W.M. on the left bank of rivière Saint-Maurice;

— thence, in a general northeasterly direction, that M.H.W.M. to the eastern limit of the right-of-way of the road leading to the village de La Croche, a meeting point whose coordinates are:

5 258 000 m N and 667 450 m E;

— thence, in a general northerly direction, the eastern limit of the right-of-way of that road running through the villages of Fitzpatrick and La Croche to the southeastern limit of the right-of-way of the road leading to lac Murphy;

— thence, northeasterly, that southeastern limit to the point whose coordinates are:

5 281 100 m N and 670 950 m E, that point being situated on the western limit of the Domaine Touristique La Tuque Inc. outfitting operation;

— thence, southerly, a straight line to the point whose coordinates are:

5 279 250 m N and 671 000 m E;

— thence, easterly, a straight line to the point whose coordinates are:

5 279 400 m N and 673 750 m E;

— thence, southerly, a straight line to the point whose coordinates are:

5 279 200 m N and 673 750 m E;

— thence, easterly, a straight line to the point whose coordinates are:

5 279 200 m N and 675 150 m E, that point being situated on the dividing line between the townships of Langelier and Bourgeoys;

— thence, easterly, a straight line to the point whose coordinates are:

5 279 250 m N and 677 625 m E;

— thence, easterly, a straight line to the northwestern limit of the right-of-way of a road running northwest of highway 155, a meeting point whose coordinates are:

5 279 250 m N and 679 500 m E;

— thence, southerly, that northwestern limit to the dividing line between the townships of Bourgeoys and Bickerdike, a meeting point whose coordinates are:

5 278 800 m N and 679 500 m E;

— thence, southeasterly, that dividing line to the point whose coordinates are:

5 274 500 m N and 684 150 m E;

— thence, in a general southeasterly direction, a broken line whose apex coordinates are:

5 273 800 m N and 683 850 m E;

5 272 500 m N and 684 550 m E;

5 272 500 m N and 685 850 m E;

and 5 272 650 m N and 686 650 m E, the latter point being situated on the dividing line between the townships of Bickerdike and Bourgeoys;

— thence, southeasterly, that dividing line to the point whose coordinates are:

5 270 000 m N and 689 000 m E;

— thence, in a general westerly then southwesterly direction, a broken line whose apex coordinates are:

5 270 000 m N and 686 000 m E;

5 264 200 m N and 685 150 m E;

5 263 650 m N and 686 100 m E, the latter point being situated on the northwestern limit of the canton de Charest;

5 260 275 m N and 682 875 m E, that point being situated on the northwestern limit of the canton de Charest;

5 256 650 m N and 682 875 m E, skirting lac Zephirin to the west along a parallel line 60 m from its N.H.W.M.;

5 252 400 m N and 679 800 m E, skirting lac Delisle to the west along a parallel line 60 m from its N.H.W.M.;

5 250 600 m N and 674 300 m E, skirting lac Fabi to the north along a parallel line 60 m from its N.H.W.M.;

and 5 249 500 m N and 672 900 m E;

— thence, southerly, a straight line to the N.H.W.M. on the left bank of a tributary of lac Seymour;

— thence, in a general southwesterly direction, a parallel line 60 m southeast to the N.H.W.M. on the southeast shore of lac Seymour to a point whose coordinates are:

5 248 850 m N and 672 650 m E;

— thence, in a general southerly then easterly direction, a broken line whose apex coordinates are:

5 245 725 m N and 672 800 m E, skirting to the east along the N.H.W.M. the lake that it meets;

5 245 725 m N and 673 250 m E;

5 240 950 m N and 674 425 m E;

5 237 400 m N and 674 425 m E;

5 236 250 m N and 679 700 m E;

and 5 236 350 m N and 687 850 m E;

— thence, in a general southerly then southwesterly direction, a broken line whose apex coordinates are:

5 232 150 m N and 686 350 m E;

5 229 080 m N and 686 260 m E;

— thence, northwesterly, a straight line to the N.H.W.M. on the right bank of rivière du Milieu whose coordinates are:

5 229 600 m N and 683 800 m E;

— thence, in a general southwesterly direction, the N.H.W.M. of that bank to its meeting point with the

dividing line between lots 3 and 4 of the range northeast of the railroad in the canton de Carignan;

— thence, southwesterly, the northwestern limit of lot 3 to its meeting point with the northeastern limit of the right-of-way of the energy transmission line;

— thence, southeasterly, the limit of that right-of-way to the dividing line between lots 2 and 3 of the range northeast of the railroad;

— thence, northeasterly, that dividing line to the southwestern limit of the right-of-way of the railroad;

— thence, southeasterly then southwesterly, the limit of that right-of-way to the dividing line between lots 31A and 31B on the one hand and lots 32A and 32B on the other hand of range IX of the canton de Hackett;

— thence, southwesterly, the dividing line between those lots to the eastern limit of the right-of-way of the energy transmission line;

— thence, southeasterly, the limit of that right-of-way to the dividing line between ranges VII and VIII;

— thence, northeasterly, that dividing line to the western limit of the right-of-way of the railroad;

— thence, southeasterly, the limit of that right-of-way to the dividing line between lots 30A and 29A of range VII;

— thence, northeasterly, that dividing line;

— thence, northwesterly, the northeastern limit of lot 30A;

— thence, northeasterly, the dividing line between lot 30B on the one hand and lots 31 and 37 on the other hand, to the western limit of lot 36A of range VII;

— thence, southeasterly, the western limit of lots 36A, 35A and 34 to the dividing line between ranges VI and VII;

— thence, southwesterly, that dividing line to the southwestern limit of lot 29 of range VI;

— thence, southeasterly, the southwestern limit of lot 29;

— thence, southwesterly, the southeastern limit of lots 24, 18B and 18A;

— thence, southeasterly, the southwestern limit of lot 17A of range VI;

— thence, southwesterly, the dividing line between ranges V and VI to the eastern limit of the right-of-way of the energy transmission line;

— thence, southeasterly, the limit of that right-of-way to its meeting point with the northeastern limit of lot 12 of range V;

— thence, southeasterly, the northeastern limit of that lot to the dividing line between lots 14 and 15;

— thence, northeasterly, that dividing line to the southwestern limit of the right-of-way of the railroad;

— thence, southeasterly, the limit of that right-of-way to the dividing line between ranges V and IV;

— thence, southwesterly, that dividing line to the northeastern limit of the right-of-way of the energy transmission line;

— thence, southeasterly, the limit of that right-of-way to the dividing line between lots 12 and 13 of range III;

— thence, northeasterly, that dividing line to the southwestern limit of the right-of-way of the railroad;

— thence, southeasterly, the limit of that right-of-way to the N.H.W.M. on the northwestern bank of lac Masketsi;

— thence, in a general southwesterly then southeasterly directions, the N.H.W.M. on the southwest shore of lac Masketsi, from the N.H.W.M. on the right bank of the tributary of that lake, the N.H.W.M. on the west and south shores of petit lac Masketsi and from the N.H.W.M. on the right bank of its tributary to the eastern limit of the right-of-way of the railroad;

— thence, southeasterly, the limit of that right-of-way to the point whose coordinates are:

5 200 725 m N and 691 850 m E;

— thence, northeasterly, a straight line to the point whose coordinates are:

5 202 350 m N and 693 325 m E;

— thence, southeasterly, a straight line to the dividing line between the townships of Marmier and Chavigny, a point whose coordinates are:

5 201 700 m N and 694 100 m E;

— thence, northeasterly, that dividing line;

— thence, northwesterly, the northeastern limit of the canton de Marmier, skirting lac Sarto along the N.H.W.M. along the northeast shore;

— thence, northeasterly, the southeastern limit of the townships of Hackett and Lapeyrère, skirting lac Héloïse to the south along the N.H.W.M. to a point whose coordinates are:

5 219 800 m N and 699 600 m E;

— thence, southeasterly, that southwestern limit to the dividing line between ranges V and IV of the canton de Bois, skirting the lakes met there to the south along the N.H.W.M.;

— thence, northeasterly, that dividing line to the dividing line between lots 27 and 28 of that range IV;

— thence, southeasterly, that dividing line to the dividing line between ranges IV and III of that township;

— thence, northeasterly, that dividing line to the dividing line between lots 34 and 35 of that range III;

— thence, southeasterly, that dividing line to the dividing line between ranges III and II of that township;

— thence, southwesterly, that dividing line to the dividing line between lots 35 and 34 of that range II;

— thence, southeasterly, that dividing line to a parallel line 402.33 m from the N.H.W.M. on the right bank of rivière à Pierre;

— thence, in a general southwesterly direction, that parallel line to the dividing line between lots 26 and 27 of range II of the canton de Bois, a meeting point whose coordinates are:

5 212 475 m N and 717 075 m E;

— thence, southeasterly, that dividing line then the dividing line between lots 26 and 27 of range I of that township to a parallel line 402.33 m on the left bank of the rivière à Pierre;

— thence, in a general southwesterly direction, that parallel line to the dividing line between lots 21 and 22 of range I of that township;

— thence, southeasterly, that dividing line to the dividing line between the townships of Bois and Colbert;

— thence, southwesterly, that dividing line to the dividing line between lots 37 and 38 of range XII of the canton de Colbert;

— thence, southeasterly, that dividing line to the dividing line between ranges XII and XI of that township;

— thence, southwesterly, that dividing line to the dividing line between lots 44 and 45 of range XI of that township;

— thence, southeasterly, that dividing line to the dividing line between ranges XI and X of that township;

— thence, southwesterly, that dividing line to the northeastern limit of the right-of-way of highway 367;

— thence, in a general southeasterly direction, that northeastern limit to the dividing line between ranges VIII and VII of the canton de Colbert;

— thence, northeasterly, that dividing line to the dividing line between lots 45 and 46 of range VIII of that township;

— thence, southeasterly, a straight line to the northeast corner of lot 46 of range VII of that township;

— thence, southeasterly, the northeastern limit of that lot 46 to the dividing line between ranges VII and VI of that township;

— thence, northeasterly, that dividing line to the dividing line between lots 40 and 41 of range VI of that township;

— thence, southeasterly, that dividing line to the dividing line between ranges VI and V of that township;

— thence, northeasterly, that dividing line to the dividing line between lots 13 and 14 of range V of that township;

— thence, southeasterly, that dividing line then the dividing line between lots 13 and 14 of range IV to the dividing line between ranges IV and III of that township;

— thence, northeasterly, that dividing line then the dividing line between ranges VIII and IX of the canton de Gosford to the northeastern limit of lot 12 of range IX of that township;

— thence, northwesterly, that northeastern limit to the southeastern limit of range I of the canton de Roquemont;

— thence, northeasterly, the southeastern limit of lots 25 and 26 of range 1 of the canton de Roquemont to the northeastern limit of that lot 26;

— thence, northwesterly, that northeastern limit then the southwestern limit of ranges II, III and IV of that township to the northwestern limit of lot 32 of that range IV;

— thence, northeasterly, that northwestern limit to the southwestern limit of range V of that township;

— thence, northwesterly that southwestern limit to the northwestern limit of lot 40 of that range V;

— thence, southwesterly then northwesterly, the southeastern and southwestern limits of the territory known as “Réserve des Sauvages” to the dividing line between the townships of Roquemont and Tonti;

— thence, northeasterly, that dividing line to the northeastern limit of the canton de Roquemont;

— thence, southeasterly, that northeastern limit to the northwestern limit of lot 64 of range V of that township;

— thence, southwesterly, the northwestern limit of lots 64 to 45 of range V of that township to the dividing line between lots 45 and 44 of that range V;

— thence, southeasterly, that dividing line then the dividing line between lots 42 and 43 of ranges IV, III, II and I to the dividing line between the townships of Roquemont and Gosford;

— thence, northeasterly, that dividing line to the northeastern limit of the canton de Gosford;

— thence, southeasterly, that northeastern limit to the dividing line between concessions VIII and IX of the seigneurie de Saint-Gabriel;

— thence, northeasterly, that dividing line to the dividing line between lots 719 and 720 of that concession VIII then the dividing line between lots 681 and 682 of that concession VII to the dividing line between concessions VII and VI of that seignior;

— thence, northeasterly, that dividing line to the northeastern limit of lot 665 in that concession VI;

— thence, southeasterly, that northeastern limit then the northeastern limit of lot 596 of concession V of that seignior to the southeastern limit of that lot 596;

— thence, northeasterly, a straight line to the intersection of the N.H.W.M. on the southwest shore of lac Cassian with the northeastern limit of the fief Saint-Ignace, a meeting point whose coordinates are:

5 218 175 m N and 307 850 m E;

— thence, northwesterly, that northeastern limit to the dividing line between ranges XII and XIII of the canton de Stoneham, a meeting point whose coordinates are:

5 219 900 m N and 306 800 m E, skirting lac Cassian to the west along its N.H.W.M.;

— thence, northeasterly, that dividing line to the watershed line between the basin of rivière Sainte-Anne and that of rivière Jacques-Cartier, established in 1926 by Mr. D. I. O’Gallagher, Land Surveyor (notebook S.F. 450 D deposited with the Service de l’arpentage of the Ministère de l’Énergie et des Ressources du Québec), a meeting point whose coordinates are:

5 220 575 m N and 307 900 m E;

— thence, in a general northeasterly direction, that watershed line to the point whose coordinates are:

5 235 570 m N and 314 000 m E;

— thence, southerly, a straight line to the point of intersection of the N.H.W.M. on the right bank of the tributary of lac Saurtney with a parallel line 60 m west of the western limit of the right-of-way of a forest road that runs west of lakes Saurtney and Petit lac Dubois, a meeting point whose coordinates are:

5 232 870 m N and 314 100 m E;

— thence, in a general southeasterly direction, that parallel line to the dividing line between ranges XIII and XII of the canton de Tewkesbury, a meeting point whose coordinates are:

5 227 000 m N and 318 100 m E;

— thence, southwesterly, that dividing line to the dividing line between lots 24 and 25 of range XII of that township, a meeting point whose coordinates are:

5 226 575 m N and 317 375 m E;

— thence, southeasterly, that dividing line then the dividing line between lots 24 and 25 of ranges XI and X to the dividing line between ranges X and IX of that township, a meeting point whose coordinates are:

5 222 550 m N and 320 050 m E;

— thence, southwesterly, that dividing line to the dividing line between lots 22 and 21 of range IX of that township, a meeting point whose coordinates are:

5 221 675 m N and 318 725 m E;

— thence, southeasterly, that dividing line then the dividing line between lots 22 and 21 of range VIII to the dividing line between ranges VIII and VII of that township, a meeting point whose coordinates are:

5 218 950 m N and 320 475 m E;

— thence, northeasterly, that dividing line to the northwestern limit of the right-of-way of a hydroelectric power transmission line situated northwest of highway 54, a meeting point whose coordinates are:

5 220 100 m N and 322 175 m E;

— thence, northeasterly, that northwestern limit to the dividing line between lots 26 and 27 of range VIII of the canton de Tewkesbury;

— thence, northwesterly, that dividing line to the property line of Domaine de la Cache, which is a watershed line between the Cachée and à l'Épaule rivers;

— thence, in a general northeasterly direction, that property line according to the following azimuths and distances:

Azimuth	Distance
356°11'24"	115.90 m
0°18'54"	83.39 m
313°10'00"	133.16 m
355°36'48"	68.15 m
35°28'36"	97.72 m
357°09'00"	89.85 m
11°40'54"	77.75 m
19°52'36"	97.61 m
1°53'42"	66.32 m
339°49'42"	77.64 m
32°36'12"	78.13 m
87°18'18"	58.14 m
82°53'48"	64.53 m
18°40'12"	92.76 m
7°53'12"	29.17 m
54°05'03"	46.27 m

the latter point being situated on the dividing line between lots 28 and 29 of range VIII of the canton de Tewkesbury;

— thence, northwesterly, that dividing line over a distance of 240.03 m, namely, to the dividing line between ranges VIII and IX of that township, a meeting point whose coordinates are:

5 222 300 m N and 322 700 m E;

— thence, northeasterly, that dividing line to the dividing line between lots 34 and 35 of range IX of that township, a meeting point whose coordinates are:

5 223 975 m N and 325 300 m E;

— thence, northwesterly, that dividing line to the dividing line between ranges IX and X of that township, a meeting point whose coordinates are:

5 225 300 m N and 324 425 m E;

— thence, northeasterly, that dividing line to the dividing line between lots 36 and 37 of range IX of that township, a meeting point whose coordinates are:

5 226 000 m N and 325 550 m E;

— thence, northeasterly, a straight line to the southwestern limit of the canton de Cauchon, a meeting point whose coordinates are:

5 228 130 m N and 326 870 m E;

— thence, southeasterly, that southwestern limit of the dividing line between the canton de Cauchon and the seigneurie de la Côte-de-Beaupré, a meeting point whose coordinates are:

5 224 525 m N and 329 300 m E;

— thence, northeasterly, that dividing line to the line surveyed by Mr. André Jobin, Land Surveyor, on 23 November 1964, a meeting point whose coordinates are:

5 230 900 m N and 335 400 m E;

— thence, in a general northerly direction, that surveyed line according to the following azimuths and distances:

Azimuth	Distance
16°01'	1 457.402 m
30°52'	1 133.924 m
19°41'	1 266.534 m
290°28'	1 546.499 m
223°50'	820.403 m
320°28'	211.770 m
17°56'	644 462 m
304°48'	520 904 m
355°20'	1 507.794 m
47°16'	1 209.523 m
6°02'	1 394.215 m
23°30'	1 013.625 m
328°59'	1 366.856 m

the latter point being situated on the eastern limit of the right-of-way of highway 175, a meeting point whose coordinates are:

5 241 325 m N and 335 075 m E;

— thence, northerly, that eastern limit to a line surveyed by Mr. André Jobin, Land Surveyor, on 23 November 1964, a meeting point whose coordinates are:

5 241 450 m N and 335 075 m E;

— thence, in a general northeasterly direction, that surveyed line according to the following azimuths and distances:

Azimuth	Distance
101°19'	594.572 m
47°18'	3 107.885 m
10°32'	321.265 m
49°51'	450.556 m
10°06'	288.938 m
39°37'	624.124 m
5°01'	248.784 m
32°01'	314.144 m
82°33'	344.500 m
22°43'	472.845 m
49°48'	787.995 m
1°55'	638.085 m
28°50'	698.174 m
33°21'	657.699 m

then the extension of that straight line to the centre line of rivière Noire, a meeting point whose coordinates are:

5 248 150 m N and 340 800 m E;

— thence, in a general southeasterly direction, the centre line of that river then its extension to the N.H.W.M. on the left bank of the effluent of lac Saunier, namely, to the line surveyed by Mr. André Jobin, Land Surveyor, on 23 November 1964, a meeting point whose coordinates are:

5 245 100 m N and 341 625 m E;

— thence, in a general southerly direction, that surveyed line according to the following azimuths and distances:

Azimuth	Distance
154°54'	537.642 m
174°30'	314.466 m
184°48'	389.622 m

Azimuth

163°41'	454.016 m
150°20'	373.187 m
133°49'	261.518 m
165°13'	111.930 m
197°22'	149.649 m
165°34'	275.862 m
235°49'	539.331 m
175°30'	703.062 m
265°26'	576.387 m
175°30'	1 409.564 m
78°11'	436.132 m
142°05'	606.361 m
168°34'	688.397 m
245°38'	579.102 m
190°28'	250.394 m
104°27'	660.314 m

Distance

the latter point being situated on the northwestern limit of the seigneurie de la Côte-de-Beaupré, a meeting point whose coordinates are:

5 238 200 m N and 342 400 m E;

— thence, northeasterly, that northwestern limit to the N.H.W.M. on the right bank of rivière Sainte-Anne, a meeting point whose coordinates are:

5 261 600 m N and 362 575 m E;

— thence, in a general southeasterly then southwesterly direction, that N.H.W.M. to the N.H.W.M. on the left bank of the St. Lawrence River;

— thence, in a general southwesterly direction, that N.H.W.M. to the downstream side of the Pierre Laporte bridge;

— thence, northwesterly, that downstream side then the northeastern limit of the right-of-way of autoroute 73 (autoroute Henri IV, in Québec City) to the northwestern limit of the right-of-way of highway 138;

— thence, in a general southwesterly direction, that northwestern limit to the northeastern limit of the right-of-way of highway 158;

— thence, in a general northwesterly direction, that northeastern limit to the southeastern limit of highway 347;

— thence, in a general northwesterly direction, that southeastern then northeastern limit to the southeastern limit of the right-of-way of highway 348;

— thence, northeasterly, that southeastern limit to the northeastern limit of the right-of-way of the highway crossing the Maskinongé and Mastigouche rivers;

— thence, northwesterly, that northeastern limit to the southeastern limit of the right-of-way of the highway leading to Saint-Charles-de-Mandeville;

— thence, northeasterly, that southeastern limit to the southwestern limit of the right-of-way of a road bordering rivière Mastigouche and leading to lac Catherine;

— thence, in a general northwesterly then northeasterly direction, that southwestern then northwestern limit to the starting point.

The coordinates mentioned above are expressed in metres and were traced graphically from the U.T.M. grid, N.A.D. 1927, used on the maps to a scale of 1:50 000 published by the Department of Energy, Mines and Resources of Canada.

The original of this document is kept by the Division des données foncières et de la cartographie of the Ministère de l'Environnement et de la Faune.

Québec, 19 November 1996

Prepared by: HENRI MORNEAU,
Land Surveyor

Minute: 9145

PROVINCE OF QUÉBEC
MINISTÈRE DE L'ENVIRONNEMENT ET DE LA
FAUNE

TECHNICAL DESCRIPTION

FISHING-BREEDING AREAS

Area 23

That area comprises: the St. Lawrence River downstream from Pierre-Laporte bridge and all the islands found there, except île d'Orléans, rivière Boyer downstream from the bridge on highway 132, rivière Saguenay downstream from Dubuc bridge at Chicoutimi and all the islands found there, the estuary of rivière York downstream from Gaspé bridge, the estuary of rivière Dartmouth, rivière Grande Rivière and rivière Petit Port-Daniel downstream from the bridge on highway 132; the estuary of rivière Saint-Jean, rivière Malbaie, rivière Petit Pabos, rivière Grand Pabos Ouest and rivière Port-Daniel downstream from the bridge on the Canadian National railroad, baie des Chaleurs downstream from

Campbellton bridge and all the Canadian waters along the Québec seacoast and all the islands found there, except and to be withdrawn therefrom fish-breeding areas 1 and 2.

The original of this document is kept at the Division des données foncières et de la cartographie of the Ministère de l'Environnement et de la Faune.

Québec, 19 November 1996

Prepared by: HENRI MORNEAU,
Land Surveyor

Minute: 9146

1469

Gouvernement du Québec

O.C. 724-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

Licences

— Amendments

Regulation to amend the Regulation respecting licences

WHEREAS under paragraph 1 of section 619 of the Highway Safety Code (R.S.Q., c. C-24.2), the Government may, by regulation, determine, in relation to the nature of a licence, the information it must contain, its form and, except for a restricted licence, its term of validity;

WHEREAS under paragraph 6 of section 619 of the Code, the Government may, by regulation, prescribe, according to the nature, class or category of a licence, the documents and information which must be produced with an application for the issue or renewal of such a licence or the payment of amounts under section 93.1 of the Code as well as any other condition or formality for obtaining or renewing that licence;

WHEREAS under paragraph 6.4 of section 619 of the Code, the Government may, by regulation, determine, for obtaining a driver's licence under any of sections 66 and 90 to 92.0.1 of the Code, the period during which a person must have held a probationary licence and establish the cases where the period may be reduced and the terms and conditions permitting such a reduction;

WHEREAS under section 619.2 of the Code, the Government may fix, by regulation, the duties exigible for obtaining a learner's licence, probationary licence or driver's licence and the duties exigible under section 93.1 of the Code on the basis of one or more of the following factors:

- (1) the nature of the licence applied for;
- (2) the class;
- (3) its category;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting licences was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for adoption within 45 days following that publication;

WHEREAS it is expedient for the Government to adopt the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting licences, attached to this Order in Council, be adopted.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting licences

Highway Safety Code
(R.S.Q., c. C-24.2, s. 619, pars. 1, 6 and 6.4, and s. 619.2)

1. The Regulation respecting licences, made by Order in Council 1421-91 dated 16 October 1991 and amended by the Regulations made by Orders in Council 1122-92 dated 29 July 1992, 1511-93 dated 27 October 1993, 531-95 dated 12 April 1995, 719-96 dated 12 June 1996 and 1262-96 dated 2 October 1996, is further amended, in section 10,

- (1) by substituting the following for paragraph 1:

“(1) submit a document proving his identity, in particular, his name, the day, month and year of his birth and, where applicable, a French or English translation of the document that he submits;” and

- (2) by striking out paragraph 4.

2. The following is substituted for section 13:

“**13.** A learner's licence of a given class is valid for a period of 18 months when issued for the first time. A learner's licence of the same class issued subsequently is valid for a period of one year.

A learner's licence is valid from the time of its coming into force.”

3. The following is substituted for paragraph 1 of section 17:

“(1) submit a document proving his identity, in particular, his name, the day, month and year of his birth and, where applicable, a French or English translation of the document that he submits;”

4. The following is substituted for section 20:

“**20.** A person wishing to obtain a class 6A, 6B or 6C probationary licence for the first time must submit his class 6A learner's licence, which he must have held for 12 months, or for eight months in the case of a person who submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for.”

5. The following is substituted for section 22:

“**22.** A person wishing to obtain a class 5 probationary licence must:

(1) in the case of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, submit his class 5 learner's licence, which he must have held for 12 months, or for eight months where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for;

(2) in cases other than that of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, where he holds a class 5 learner's licence, on 30 June 1997, submit his class 5 learner's licence, which he must have held for 12 months, or for one month where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for.”

6. Section 23 is revoked.

7. The following is substituted for paragraph 1 of section 24:

“(1) have held a class 5 probationary licence for a total of 12 months;”.

8. The following is substituted for section 27:

“**27.** A probationary licence is valid for a period of two years from its date of issue, where the holder is less than 23 years of age. In the case of a holder 23 years of age or more, a probationary licence is valid from the date of its issue until the end of the day preceding the holder’s twenty-fifth birthday.

Notwithstanding the foregoing, a probationary licence obtained subsequently to a probationary licence that was cancelled by the Société or at the holder’s request is valid for the length of time that completes the period determined in the first paragraph.

Where a probationary licence is suspended, its period of validity shall be extended for a length of time equal to the duration of the suspension, but no later than the end of the day preceding the holder’s twenty-fifth birthday.

A probationary licence issued to a person referred to in section 92.0.1 of the Highway Safety Code is valid for the length of time that completes the period determined in the first paragraph.”.

9. Section 31 is revoked.

10. The following is substituted for paragraph 1 of section 32:

“(1) submit a document proving his identity, in particular, his name, the day, month and year of his birth and, where applicable, a French or English translation of the document that he submits;”.

11. The following is substituted for section 35:

“**35.** A person wishing to obtain a class 6A, 6B or 6C driver’s licence for the first time must:

(1) where he is less than 25 years of age, in the case of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, have held a probationary licence of the class applied for during the period determined in the first paragraph of section 27;

(2) where he is 25 years of age or more, or in cases other than that of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, submit his class 6A learner’s licence, which

he must have held for 12 months, or for eight months where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for;

(3) in cases other than that of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, where he holds a class 6A learner’s licence, on 30 June 1997, submit his class 6A learner’s licence, which he must have held for 12 months, or for one month where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for;

(4) where he is a person referred to in section 92.0.1 of the Highway Safety Code, have held, for the length of time that completes the period determined in the first paragraph of section 27, a probationary licence of the class applied for.”.

12. Sections 36 to 38 are revoked.

13. The following is substituted for section 39:

“**39.** A person wishing to obtain a class 5 driver’s licence for the first time must:

(1) where he is less than 25 years of age, in the case of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, have held a probationary licence of the class applied for during the period determined in the first paragraph of section 27;

(2) where he is 25 years of age or more, or in cases other than that of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, submit his class 5 learner’s licence, which he must have held for 12 months, or for eight months where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for;

(3) in cases other than that of a first probationary licence authorizing him to drive a motor vehicle other than a moped or a farm tractor, where he holds a class 5 learner’s licence, on 30 June 1997, submit his class 5 learner’s licence, which he must have held for 12 months, or for one month where he submits a document issued by a driving school recognized by a body certified by the Société and attesting to his successful completion of a driving course appropriate to the class of licence applied for;

(4) where he is a person referred to in section 92.0.1 of the Highway Safety Code, have held, for the length of time that completes the period determined in the first paragraph of section 27, a probationary licence of the class applied for.”

14. Sections 40 and 41 are revoked.

15. The following is substituted for section 42:

“**42.** A person wishing to obtain a class 4B or 4C driver’s licence must:

(1) hold a probationary licence of the class applied for and have completed the period of validity determined in the first paragraph of section 27; or

(2) fulfil the following conditions:

(a) hold or have held a class 5 driver’s licence and have held such licence or a class 5 probationary licence for a total of 12 months;

(b) furnish a medical or optometrical report to the Société.”

16. The following is substituted for section 43:

“**43.** A person wishing to obtain a class 4A driver’s licence must:

(1) hold a probationary licence of the class applied for and have completed the period of validity determined in the first paragraph of section 27;

(2) fulfil the following conditions:

(a) hold or have held a class 5 driver’s licence and have held such licence or a class 5 probationary licence for a total of 24 months;

(b) furnish a medical or optometrical report to the Société.”; or

(3) fulfil the following conditions:

(a) hold or have held a class 5 driver’s licence;

(b) have successfully completed the emergency vehicle driving course offered by the Institut de police du Québec;

(c) furnish a medical or optometrical report to the Société.”

17. The following is substituted for paragraph 3 of section 44:

“(3) hold or have held a class 5 driver’s licence and have held such licence or a class 5 probationary licence for a total of 24 months.”

18. The following is substituted for paragraph 3 of section 45:

“(3) hold or have held a class 5 driver’s licence and have held such licence or a class 5 probationary licence for a total of 24 months.”

19. The following is substituted for paragraph 3 of section 46:

“(3) hold or have held a class 5 driver’s licence and have held such licence or a class 5 probationary licence:

(a) for a total of 36 months; or

(b) for a total of 24 months, if he has successfully completed 300 hours of training on public highways, driving a motor vehicle authorized by the licence applied for.”

20. Section 47 is amended

(1) by substituting the number “90” for the number “90.1”; and

(2) by substituting the number “39” for the number “41”.

21. Section 48 is amended

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

(2) by substituting the following for subparagraph 2 of the first paragraph:

“(2) submit a document proving his identity, in particular, his name, the day, month and year of his birth and, where applicable, a French or English translation of the document that he submits;” and

(3) by substituting the number “39” for the number “41”.

22. The following is substituted for section 56:

“**56.** The duties payable to obtain for the first time a learner’s licence of a given class are \$12.

The duties payable subsequently to obtain a learner’s licence of the same class are \$8.”

23. Section 57 is amended by adding the following after subparagraph 2 of the second paragraph:

“(3) he is 23 years of age or more.”.

24. The following is substituted for section 85:

“**85.** The Société furnishes the documents that a person must fill out or have filled out for the purposes of paragraph 2 of section 24, paragraph 3 of section 25, section 34, subparagraph *b* of paragraph 2 of section 42, subparagraph *b* of paragraph 2 and subparagraph *c* of paragraph 3 of section 43, paragraph 2 of section 44, paragraph 2 of section 45 and paragraph 2 of section 46.”.

25. This Regulation comes into force on 30 June 1997.

1456

Gouvernement du Québec

O.C. 725-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

**Demerit points
— Amendments**

Regulation to amend the Regulation respecting demerit points

WHEREAS under paragraph 9 of section 619 of the Highway Safety Code (R.S.Q., c. C-24.2), the Government may, by regulation, establish a system of demerit points on the basis of which the Société de l'assurance automobile du Québec cancels a licence or suspends the right to obtain a licence; the system shall include a list of offences and the corresponding number of demerit points for each offence and determine the total number of demerit points entered in a person's file that entails the sending of a notice, the cancellation of a licence or the suspension of the right to obtain a licence;

WHEREAS under paragraph 9.2 of section 619 of the Code, the Government may, by regulation, determine which provisions of Division IV of Chapter II of Title II of the Code or of a regulation made under paragraph 9 of that section shall apply to the holder of a learner's licence or probationary licence and provide for derogatory provisions to that Division or to that regulation which shall apply to such holders;

WHEREAS under paragraph 9.3 of section 619 of the Code, the Government may, by regulation, prescribe the

total number of offences or of demerit points entered in a person's record that shall entail the sending of a notice, the suspension of a learner's licence and of a probationary licence or of the right to obtain such licences;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting demerit points was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for adoption upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to adopt the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting demerit points, attached to this Order in Council, be adopted.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

**Regulation to amend the Regulation
respecting demerit points**

Highway Safety Code
(R.S.Q., c. C-24.2, s. 619, pars. 9, 9.2 and 9.3)

1. The Regulation respecting demerit points, made by Order in Council 1424-91 dated 16 October 1991, is amended by striking out the second paragraph of section 4.

2. The following is substituted for the second paragraph of section 5:

“In the case of a person mentioned in section 191.2 of the Code, a total of at least 4 demerit points must be entered in his record to entail the suspension of his licence or the suspension of his right to obtain a licence.”.

3. The following is substituted for the first paragraph of section 6:

“**6.** The provisions of Division IV of Chapter II of Title II of the Highway Safety Code, except those in the first paragraph of section 111 and section 114, apply to the holder of a learner's licence or a probationary licence.”.

4. Schedule I to the Regulation is amended

(1) by inserting “1.1 Driving with the presence of alcohol in the body or failure to provide a sample of breath” after Point 1, in the column entitled “Summary description of offence for reference purposes only”;

(2) by inserting “202.2 or 202.9” after Point 1, in the column entitled “Description”;

(3) by inserting “202.9” after Point 1, in the column entitled “Penal provisions”; and

(4) by inserting the figure “4” after Point 1, in the column entitled “Points”.

5. This Regulation comes into force on 30 June 1997.

1457

Gouvernement du Québec

O.C. 726-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

Driving Schools — Revocation

Regulation to revoke the Driving Schools Regulation

WHEREAS under paragraphs 1, 3, 6 and 10 to 22 of section 619 of the Highway Safety Code (R.S.Q., c. C-24.2), the Government may make regulations on the matters mentioned therein;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to revoke the Driving Schools Regulation was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for adoption upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to adopt the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to revoke the Driving Schools Regulation, attached to this Order in Council, be adopted.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to revoke the Driving Schools Regulation

Highway Safety Code
(R.S.Q., c. C-24.2, s. 619, pars. 1, 3, 6, 10 to 22)

1. The Driving Schools Regulation made by Order in Council 1765-89 dated 15 November 1989 is revoked.

2. This Regulation comes into force on 30 June 1997.

1458

Gouvernement du Québec

O.C. 727-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

Fees exigible and return of confiscated objects — Amendments

Regulation to amend the Regulation respecting the fees exigible under the Highway Safety Code and the return of confiscated objects

WHEREAS under subparagraph 6 of the first paragraph of section 624 of the Highway Safety Code (R.S.Q., c. C-24.2), the Société de l'assurance automobile du Québec may, by regulation, determine the amount of the licence fee relating to each classroom used by a driving school and the amount, nature, object, duration and the terms and conditions of the security that may be required from a driving school;

WHEREAS under section 625 of the Code, every regulation made by the Société is subject to the approval of the Government;

WHEREAS at its sitting of 12 December 1996, the Société made the Regulation to amend the Regulation respecting the fees exigible under the Highway Safety Code and the return of confiscated objects;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting the fees exigible under the Highway Safety Code and the return of confiscated objects was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to approve the Regulation;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting the fees exigible under the Highway Safety Code and the return of confiscated objects, attached to this Order in Council, be approved.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting fees exigible under the Highway Safety Code and the return of confiscated objects

Highway Safety Code
(R.S.Q., c. C-24.2, s. 624, 1st par., subpar. 6)

1. The Regulation respecting fees exigible under the Highway Safety Code and the return of confiscated objects, approved by Order in Council 646-91 dated 8 May 1991 and amended by the Regulations approved by Orders in Council 1423-91 dated 16 October 1991, 1877-92 dated 16 December 1992, 532-95 dated 12 April 1995 and 295-96 dated 6 March 1996 and 486-97 dated 9 April 1997, is further amended by revoking section 4.1.

2. This Regulation comes into force on 30 June 1997.

1459

Gouvernement du Québec

O.C. 728-97, 28 May 1997

Automobile Insurance Act
(R.S.Q., c. A-25)

Insurance contributions — Amendments

Regulation to amend the Regulation respecting insurance contributions

WHEREAS under section 151 of the Automobile Insurance Act (R.S.Q., c. A-25), the Société de l'assurance automobile du Québec may fix, by regulation, after actuarial valuation, the insurance contribution exigible on obtaining a learner's licence, probationary licence or driver's licence and the contribution exigible pursuant to section 93.1 of the Highway Safety Code (R.S.Q., c. C-24.2), on the basis of one or more of the following factors:

- (1) the nature of the licence applied for;
- (2) its class;
- (3) its category;
- (4) the number of demerit points entered in the applicant's record kept in accordance with section 113 of that Code;
- (5) the cancellations or suspensions of the applicant's licence or of his right to obtain such licence imposed under any of sections 180, 185, 191.2 or 192 of that Code;

WHEREAS under subparagraph 1 of the first paragraph of section 151.2 of the Automobile Insurance Act, the Société may prescribe, by regulation, calculation methods for the insurance contribution exigible upon the issue of a learner's licence, probationary licence or driver's licence on the basis of one or more of the following factors:

- (a) the time remaining between the date of issue of the licence and the date of the prescribed day within the prescribed period under paragraph 4.2 of section 619 of the Highway Safety Code for the payment of the insurance contribution exigible under section 93.1 of that Code;
- (b) the time expired between the date of issue of the licence and the expiration date of a previous licence;
- (c) the cancellation of a previous licence;
- (d) the cancellation of a previous licence at the holder's request;
- (e) the applicant's entitlement to a reimbursement of part of the insurance contribution for his previous licence;

WHEREAS under section 197 of the Automobile Insurance Act, every regulation of the Société must be approved by the Government;

WHEREAS at its sitting of 13 February 1997, the Société made the Regulation to amend the Regulation respecting insurance contributions;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting insurance contributions was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to approve the Regulation;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting insurance contributions, attached to this Order in Council, be approved.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting insurance contributions

Automobile Insurance Act
(R.S.Q., c. A-25, s. 151 and s. 151.2, 1st par., subpar. 1)

1. The Regulation respecting insurance contributions, approved by Order in Council 1422-91 dated 16 October 1991 and amended by the Regulations approved by Orders in Council 1123-92 dated 29 July 1992, 1512-93 dated 27 October 1993, 718-96 dated 12 June 1996 and 437-97 dated 26 March 1997, is further amended by substituting the following for section 88:

“**88.** The insurance contribution payable upon the first issue of a learner’s licence of a given class is \$14.68.

The contribution payable upon the subsequent issue of a learner’s permit of the same class is \$10.09.”

2. Section 98 is amended:

(1) by substituting the following for the first paragraph:

“**98.** The insurance contribution payable upon issue of a probationary licence by a person covered under section 92.0.1 of the Highway Safety Code or being 23 years of age or over is the product of multiplying the monthly contribution set under the second paragraph by the number of full months, plus one, between the issue date of the probationary licence and its date of expiry.”;

(2) by striking out the word “new” in the second paragraph.

3. This Regulation comes into force on 30 June 1997.

1460

Gouvernement du Québec

O.C. 729-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

Duties payable — Driving school and instructors’ licences, registers and security — Amendments

Regulation to amend the Regulation respecting the duties payable for driving school and instructors’ licences, registers and security

WHEREAS under subparagraph 6 of the first paragraph of section 624 of the Highway Safety Code (R.S.Q., c. C-24.2), the Société de l’assurance automobile du Québec may, by regulation, determine the amount of the licence fee relating to each classroom used by a driving school and the amount, nature, object, duration and the terms and conditions of the security that may be required from a driving school;

WHEREAS under section 625 of the Code, every regulation made by the Société is subject to the approval of the Government;

WHEREAS at its sitting of 12 December 1996, the Société made the Regulation to amend the Regulation respecting the duties payable for driving school and instructors’ licences, registers and security;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to amend the Regulation respecting the duties payable for driving school and instructors’ licences, registers and security was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for approval upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to approve the Regulation;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting the duties payable for driving school and instructors’ licences, registers and security, attached to this Order in Council, be approved.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the duties payable for driving school and instructors' licences, registers and security

Highway Safety Code
(R.S.Q., c. C-24.2, s. 624, 1st par., subpar. 6)

1. The Regulation respecting the duties payable for driving school and instructors' licences, registers and security, made by Order in Council 1876-86 dated 10 December 1986 and amended by the Regulation made by Order in Council 646-91 dated 8 May 1991, is further amended by revoking Division III.

2. Schedules I, II and III to the Regulation are revoked.

3. This Regulation comes into force on 30 June 1997.

1462

Gouvernement du Québec

O.C. 730-97, 28 May 1997

Highway Safety Code
(R.S.Q., c. C-24.2)

Duties payable — Driving school and instructors' licences, registers and security — Revocation

Regulation to revoke the Regulation respecting the duties payable for driving school and instructors' licences, registers and security

WHEREAS under paragraph 14 of section 619 of the Highway Safety Code (R.S.Q., c. C-24.2), the Government may, by regulation, determine the content and form of the registers and student's files that must be kept by the holder of a driving school licence;

WHEREAS under sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), the Regulation to revoke the Regulation respecting the duties payable for driving school and instructors' licences, registers and security was published in Part 2 of the *Gazette officielle du Québec* of 12 March 1997 with a notice that it could be submitted to the Government for adoption upon the expiry of 45 days following that publication;

WHEREAS it is expedient for the Government to adopt the Regulation without amendment;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to revoke the Regulation respecting the duties payable for driving school and instructors' licences, registers and security, attached to this Order in Council, be adopted.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to revoke the Regulation respecting the duties payable for driving school and instructors' licences, registers and security

Highway Safety Code
(R.S.Q., c. C-24.2, s. 619, par. 14)

1. The Regulation respecting duties payable for driving school and instructors' licences, registers and security, made by Order in Council 1876-86 dated 10 December 1986 and amended by the Regulation made by Order in Council 646-91 dated 8 May 1991, is revoked.

2. This Regulation comes into force on 30 June 1997.

1461

Gouvernement du Québec

O.C. 741-97, 4 June 1997

Education Act
(R.S.Q., c. I-13.3)

Basic school regulations (régime pédagogique) for preschool and elementary school education

Regulation to amend the Basic school regulations (régime pédagogique) for preschool and elementary school education

WHEREAS under section 447 of the Education Act (R.S.Q., c. I-13.3), the Government may make regulations to be known as the "basic school regulation";

WHEREAS the Government made the Basic school regulations (régime pédagogique) for preschool and elementary school education, by Order in Council 73-90 dated 24 January 1990;

WHEREAS it is expedient to amend the Basic school regulations (régime pédagogique) for preschool and elementary school education;

WHEREAS in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), a draft Regulation was published in Part 2 of the *Gazette officielle du Québec* of 26 March 1997, with a notice that it could be made by the Government upon the expiry of 45 days following that publication;

WHEREAS in accordance with section 458 of the Education Act, the draft regulation was submitted to the Conseil supérieur de l'éducation for examination and a notice was presented to the Minister;

WHEREAS it is expedient to make the Regulation with amendments;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Education:

THAT the Regulation to amend the Basic school regulations (régime pédagogique) for preschool and elementary school education, attached hereto, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Basic school regulations (régime pédagogique) for preschool and elementary school education

Education Act
(R.S.Q., c. I-13.3, s. 447)

1. The Basic school regulations (régime pédagogique) for preschool and elementary school education, made by Order in Council 73-90 dated 24 January 1990, is amended by substituting the following for section 29:

“**29.** For the preschool students referred to in section 32, the school calendar shall comprise a maximum of 200 days, at least 180 of which must be devoted to educational services scheduled five days per week; for the handicapped students and students living in economically disadvantaged areas referred to in section 33, the school calendar shall comprise a maximum of 200 half days, at least 180 of which must be devoted to educational services, scheduled five per week.”

2. The following is substituted for section 34:

“**34.** For the preschool students referred to in section 32, the standard week of five complete days shall comprise a minimum of 23 hours and 30 minutes per week devoted to educational services; for the handicapped students and students living in economically

disadvantaged areas referred to in section 33, the standard week of five half days shall comprise a minimum of 11 hours and 45 minutes per week devoted to educational services.”

3. This Regulation comes into force on 1 July 1997.

1472

Gouvernement du Québec

O.C. 754-97, 4 June 1997

Education Act
(R.S.Q., c. I-13.3)

Student transportation

Regulation to amend the Regulation respecting student transportation

WHEREAS under section 453 of the Education Act (R.S.Q., c. I-13.3), the Government may regulate student transportation to determine the stages of the process for awarding contracts, to provide for restrictions and conditions, to limit the carriers with whom a school board may make agreements, to prescribe the minimum stipulations required to be included in a contract and establish standards in respect of its duration;

WHEREAS the Regulation respecting student transportation was made by Order in Council 647-91 dated 8 May 1991;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without having been published if the authority making it is of the opinion that the urgency of the situation requires it;

WHEREAS under section 18 of that Act, a regulation may come into force on the date of its publication where the authority that has made it is of the opinion that the urgency of the situation requires it;

WHEREAS the Government is of the opinion that the urgency due to the following circumstances justifies the absence of such publication and the coming into force of the Regulation on the date of its publication:

— considering that the proposed amendments result directly from the determination of the financial framework for the program for the assistance to the transportation of student for 1997-1998 and that the framework will be adjusted according to the budgetary measures

announced by the Government for the 1997-1998 school year;

— considering that the financial framework resulting from the budgetary measures will apply only to the 1997-1998 school year;

— considering the obligation for school boards and carriers to include in their next contracts for the transportation of students for the 1997-1998 school year a clause stipulating that the duration of these contracts may not exceed one school year;

— considering that the new contracts must be negotiated in May and June of 1997 in order to be entered into at the latest on 1 July 1997, date of the beginning of the school year according to section 13 of the Education Act;

— considering that certain contracts may be subject to the public tenders procedure, established by regulation, which will entail certain delays;

— considering that approval of contracts is given at the last meeting of the council of commissioners of each school board, held at the end of June each year;

— considering that the Government has announced its policy respecting kindergarten education and that the policy has an impact on the organization of the transportation of students for the coming school year;

it is expedient to further amend the Regulation respecting student transportation in order to limit to one year the duration of a contract for the transportation of students for the 1997-1998 school year and to authorize a school board or an educational institution to enter into a maximum of ten contracts for the transportation of students, to allow for the additional services required by the students registered at the kindergarten level;

IT IS ORDERED, therefore, upon the recommendation of the Minister of Transport:

THAT the Regulation to amend the Regulation respecting student transportation, attached to this Order in Council, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting student transportation

Education Act
(R.S.Q., c. I-13.3, s. 453)

1. The Regulation respecting student transportation, made by Order in Council 647-91 dated 8 May 1991 and amended by Order in Council 689-95 dated 17 May 1995 and by Order in Council 286-97 dated 5 March 1997, is amended by substituting “10” for “5” in the third paragraph of section 18.

2. Section 33 is amended by adding the following paragraph at the end:

“Notwithstanding the foregoing, no contract for the transportation of students may be entered into for a duration exceeding one year, for the 1997-1998 school year.”

3. The first paragraph of section 34 is amended by substituting “and 32 and the first and second paragraphs of section” for “to”.

4. This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

1473

M.O., 1997

Order number 3-97 of the Minister of Education dated 30 May 1997

Regulation to amend the Regulation respecting certain conditions of employment of senior staff or general and vocational colleges

WHEREAS under section 18.1 of the General and Vocational Colleges Act (R.S.Q., c. C-29), the Minister of Education may, by regulation, determine the conditions of employment, classification and maximum number per class of the positions held by, and the remuneration, recourses and rights of appeal of the members of the staff who are not members of a certified association within the meaning of the Labour Code (R.S.Q., c. C-27);

WHEREAS the Regulation respecting certain conditions of employment of senior staff of general and vocational colleges was made by Minister's Order 2-89;

WHEREAS the Minister of Education is of the opinion that it is expedient to further amend the Regulation;

THEREFORE, the Regulation respecting certain conditions of employment of senior staff of general and vocational colleges is amended by the Regulation to amend the Regulation respecting certain conditions of employment of senior staff of general and vocational colleges attached hereto.

Québec, 30 May 1997

PAULINE MAROIS,
Minister of Education

Regulation to amend the Regulation respecting certain conditions of employment of senior staff of general and vocational colleges

General and Vocational Colleges Act
(R.S.Q., c. C-29, s. 18.1)

1. The Regulation respecting certain conditions of employment of senior staff of general and vocational colleges, made by Minister's Order number 2-89 of the Minister of Higher Education and Science dated 7 December 1989 and amended by Minister's Orders 3-90 dated 2 October 1990, 2-91 dated 5 June 1991, 2-92 dated 23 June 1992, 1-93 dated 21 September 1993, 2-94 dated 18 March 1994, 2-96 dated 28 June 1996 and 2-97 dated 28 February 1997 is further amended by adding, in section 1, the following definition after the definition of "concellation of engagement":

““public and parapublic sectors:

— the ministries, persons or agencies the personnel of which is named or remunerated in accordance with the Civil Service Act;

— the persons or agencies whose operational budgets are taken from the consolidated revenue fund or appear in whole or in part in the budgetary forecasts submitted to the National Assembly;

— the colleges, school boards and establishments within the meaning of the Act respecting the process of negotiation of the collective agreements in the public and parapublic sectors, the government agencies covered by this law and the educational institutions at the university level within the meaning of the Act respecting educational institutions at the university level;

— the agencies or enterprises and their totally owned subsidiaries which must produce an annual report which must be deposited in the National Assembly;”

2. The following is substituted for Section 12:

“**12.** Salary is the remuneration to which a senior staff member is entitled in accordance with this division and with Division V of this chapter, excluding any premium and any lump-sum payment, and with Division IV of Chapter V.”

3. Section 14 is amended by substituting the following for the first paragraph of section 14:

“**14.** The class of the college or campus is determined taking into account the total number of students registered in all the credited college-level programs.”

4. Section 25 is amended by substituting the words “increased by” for the words “multiplied by”.

5. Section 26 is amended by substituting the words “increaded by” for the words “multiplied by”.

6. The following is substituted for Chapter V:

“CHAPTER V GROUP INSURANCE PLANS

DIVISION I GENERAL PROVISIONS

39. In this chapter, unless the context indicated otherwise, the following terms and expressions mean:

“insurer”: an insurance company that has concluded a contract with the Government of Québec for the purposes of providing group coverage to management staff in the public and parapublic sectors;

“insurance plans”: group insurance plans offered to management staff in the public and parapublic sectors;

“salary”: pay applicable to a senior staff member within the meaning of section 12 including:

1° the lump-sum payment resulting from the application of the rules respecting salary review, where applicable;

2° the lump-sum payment resulting from the application of sections 28, 29, 128 and 132 of this Regulation;

3° a stand-by premium and a premium for regional disparities.

40. Unless there are provisions to the contrary, a senior staff member is covered by the group insurance plans of management staff in the public and parapublic sectors, subject to their rules of eligibility.

These plans are as follows:

a) Plan insured by the college:

- a short-term salary insurance plan as defined in Division II;

b) Plans insured by the Government of Québec:

- a uniform life insurance plan as defined in Subdivision I of Division III;

- a survivors' pension plan as defined in Subdivision II of Division III.

c) Plans insured by an insurer and described in the master policy of the insurance plans and in Division IV:

- compulsory basic plans:

- a life insurance plan;

- an accident insurance plan;

- a long-term salary insurance plan.

- complementary plans:

- an optional supplemental life insurance plan;

- an optional supplemental accident insurance plan;

- a compulsory long-term salary insurance plan.

41. Subject to the specific provisions prescribed to that effect in the master policy of the plans insured by the insurer, a senior staff member who, prior to becoming a senior staff member governed by this Regulation, was in the employ of an employer in the public or parapublic sector and was eligible for a group insurance plan applicable to employees in that sector shall be eligible for the insurance plans described in this chapter on the date of his entry into service as a senior staff member governed by this Regulation, provided that his previous employment terminated not more than 30 days prior to the date of his entry into service and that he provides the necessary proof of his former employment.

41.1 Subject to section 41, a senior staff member holding a full-time position of a position for 70 % or more of the full-time equivalent shall be eligible for the

insurance plans described in this chapter, upon the expiry of a one-month period from the date of his entry into service, provided that he is working at that time. If he is not working on that date, he shall be eligible for those plans on the date of his return to work.

41.2 Subject to section 41, a senior staff member holding a position for more than 25 % but less than 70 % of the full-time equivalent shall be eligible for the insurance plans described in this chapter upon the expiry of a three-month period from the date of his entry into service, provided he is working at that time. If he is not working on that date, he shall be eligible for those plans on the date of his return to work.

41.3 A senior staff member holding a position for 25 % or less of the full-time equivalent shall not be eligible for the insurance plans.

41.4 Upon his request, a senior staff member who is reassigned to a non-unionized unionizable position shall retain, on the date of his reassignment and on the condition that he has held a senior staff or senior executive staff position for at least two years, the group insurance plans described in this chapter.

Upon his request, a senior staff member who is reassigned to a position by union certification shall retain, on the date of his reassignment and on the condition that he has held a senior staff or senior executive staff position for at least two years, the group insurance plans described in this chapter insofar as the collective agreement so allows.

42. Where a senior staff member is on a leave without pay or a partial leave without pay of less than 30 days, a senior staff member shall continue to participate in the insurance plans and shall pay the contribution that he would pay if he were working.

Where the duration of a leave without pay (other than a partial leave without pay) is 30 days or more or, in the case of an unpaid absence, a senior staff member shall continue to participate in the uniform life insurance plan. Moreover, a senior staff member must continue to participate in the compulsory basic accident insurance plan by paying his contribution and that of the employer for this plan and he may, if he so requests the college, prior to the date on which his leave or absence begins, continue to participate in all of the insured plans that he held prior to the beginning of the leave or absence according to the provisions prescribed in the master policy.

During a partial leave without pay of over 30 days, a senior staff member shall continue to participate in the insurance plans on the basis of the time worked. How-

ever, a senior staff member who continues to participate in those plans on the basis of the time normally worked prior to the beginning of the partial leave without pay shall also assume both his contribution and that of the employer for those plans on the basis of the time not worked, excluding the employer's contribution to the compulsory basic accident insurance plan which continues to be assumed by the latter.

A senior staff member who continues to participate in all of the insured plans that he had prior to the leave or absence without pay shall also continue to participate in the survivors' pension plan according to the provisions prescribed in the said plan.

42.1 For the purposes of the short-term salary insurance plan, total disability which develops during a leave or absence without pay shall be considered as beginning on the date on which the leave or absence terminates.

43. The college cannot terminate the relationship of employment of a senior staff member whose disability began after March 31, 1994 and who receives benefits under the short-term or long-term salary insurance plan for the sole reason of his being totally disabled.

DIVISION II

PLAN INSURED BY THE COLLEGE

Short-term Salary Insurance Plan

44. The short-term salary insurance plan covers the first 104 weeks of total disability.

Benefits

44.1 During the first week of total disability, a senior staff member shall receive the salary to which he would have been entitled had he been working.

44.2 As of the 2nd week of total disability and, up to 26 weeks from the beginning of the disability, a senior staff member shall receive a benefit under the short-term salary insurance plan equal to 80 % of the salary to which he would have been entitled had he been working.

44.3 As of the 27th week of total disability and, up to 104 weeks from the beginning of the disability, a senior staff member shall receive a benefit under the short-term salary insurance plan equal to 70 % of the salary to which he would have been entitled had he been working.

Total disability and period of total disability

45. For the purposes of the short-term salary insurance plan, total disability is a state of incapacity resulting from an illness, an accident, serious complications

of a pregnancy or a surgical procedure directly related to family planning necessitating medical care and rendering the senior staff member totally incapable of performing the usual duties of his position or of any other position providing similar remuneration offered by the college.

For the purposes of the short-term salary insurance plan, a period of total disability is a continuous period of total disability or a series of successive periods of total disability resulting from the same illness or accident, separated by fewer than 15 days of actual full-time work or, as the case may be, part-time work in accordance with the senior staff member's regular position. The computation of the 15-day period of actual work shall not take into account vacation, paid legal holidays, leaves without pay, leaves related to parental rights or any other absence, whether remunerated or not.

A period of total disability resulting from self-inflicted illness or injury, alcoholism or drug addiction, service in the armed forces, active participation in a riot, an insurrection or an illegal or criminal act is not recognized as a period of total disability. However, in the case of alcoholism or drug addiction, the period during which a senior staff member is receiving treatment or medical care with a view to rehabilitation is recognized as a period of total disability.

Gradual return

46. Where the college so authorizes, a senior staff member receiving salary insurance benefits may benefit from a period of gradual return to work provided that, during that period, he performs the duties related to the position that he held before the beginning of his total disability or any other position providing similar remuneration offered by the college.

As a general rule, this period may not exceed 6 consecutive months and must not have the effect of extending the period of total disability beyond the 104 weeks of short-term salary insurance benefits.

During that period, a senior staff member shall receive the gross salary for the work done and the salary insurance benefits calculated in proportion to the time not worked. He shall be deemed to be in total disability during that period, while continuing to be subject to his salary insurance plan.

Exemption of payment of contributions

47. A disabled senior staff member shall continue to participate in the insurance plans and in the pension plan to which he is subject.

However, as of the second week of total disability, a senior staff member who receives benefits under the salary insurance plan shall be exempted from the payment of contributions to the complementary insured plans prescribed in the master policy and to the pension plan to which he is subject, if the plan so provides.

During that period, a senior staff member's contribution for the compulsory basic insured plans, including the contribution of both the senior staff member and the college, shall be borne by the college.

Coordination of disability benefits

48. A senior staff member who receives a disability benefit from a public agency, under a law in force in Québec, must inform his college without delay.

In such case, the salary or the short-term salary insurance benefit paid in application of sections 44.1, 44.2 and 44.3 shall be reduced by any disability benefit paid under the said law, without considering subsequent increases resulting from indexation.

Payment of benefits and medical expertise

49. A senior staff member who receives a salary or benefits under the short-term salary insurance plan prescribed in this division shall provide the information as well as the supporting documents required by the college or its representative (the insurer or a firm of medical experts) for the purposes of verifying whether he complies with the definition of total disability in order to determine the cause and the duration and whether he agrees to undergo, at the college's expense, a medical examination by the physician chosen by the college.

A senior staff member shall also authorize the college or its representative to disclose such information and to provide the supporting documents for the purposes of assessing the possibilities of offering him a position according to the provisions prescribed in this chapter.

50. Upon the senior staff member's return to work, the college may require him to undergo a medical examination by a physician chosen by the college for the purpose of determining that he has sufficiently recovered to resume work. The cost of such medical examination shall be borne by the college.

Where the opinion of the physician chosen by the college is contrary to that of the physician consulted by the senior staff member, the two physicians, shall agree on the choice of a third physician whose decision shall be final.

Industrial accidents

51. The senior staff member who is incapable of performing his duties following an industrial accident or an occupational disease that occurred while he was employed by the college shall be entitled to receive, for the period he is paid an income replacement indemnity, an amount equal to the difference between the income replacement indemnity prescribed by the Act respecting industrial accidents and occupational diseases and his net salary. This amount in addition to the income replacement indemnity shall be brought to a taxable gross amount and must not have the effect of increasing the net salary to which the senior staff member would have been entitled during that period.

This amount in addition to the income replacement indemnity shall be paid during a maximum continuous period of two (2) years, but shall cease to be paid when the senior staff member is no longer eligible, under the provisions of the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001), for the income replacement indemnity.

The net salary of the senior staff member is his gross salary reduced by the federal and provincial income tax, the contribution of the representative association and his contributions to the Québec pension plan, the employment insurance plan, the pension plan and the insurance plans.

End of participation

52. Unless there are provisions to the contrary, a senior staff member's participation in the short-term salary insurance plan and entitlement to benefits shall terminate on the earliest of the following dates:

1° the date on which he is no longer governed by this chapter;

2° the date on which his total preretirement leave prescribed in sections 94 and 139 begins;

3° the date on which the senior staff member begins to use sick-leave days so that he may be exempted totally from performing the duties prescribed by the progressive retirement agreement and which immediately precedes his retirement;

4° the date of his retirement.

DIVISION III PLANS INSURED BY THE GOVERNMENT OF QUÉBEC

§1. *Uniform Life Insurance Plan*

53. A senior staff member shall be entitled to life insurance benefits equal to \$6,400 payable to his succession. That amount is reduced to \$3 200 for a senior staff member holding a position of less than 70 % of the full-time equivalent.

Where a senior staff member holds more than one senior staff position with more than one employer and where those positions are equal to 70 % or more of the full-time equivalent, he shall be deemed to be a senior staff member holding a full-time senior staff position

54. A senior staff member's participation in the uniform life insurance plan shall terminate on the earlier of the following dates:

1° the date on which he is no longer governed by this chapter;

2° the date of his retirement.

§2. *Survivors' Pension Plan*

55. The provisions prescribed in the Directive concernant le régime de rentes des survivants, adopted by the Treasury Board (CT 188102) dated December 5, 1995 shall apply to a senior staff member, with the exception of sections 1 and 25, and subject to the following provisions:

1° the words "civil servant" and "pay" are replaced respectively by the words "senior staff member" and "salary";

2° section 25 of the directive is replaced by section 167.1 of this Regulation.

DIVISION IV PLANS INSURED BY THE INSURER

55.1 The provisions of this division, with the exception of section 56.1, apply to a senior staff member who became totally disabled after March 31, 1994.

56. For the purposes of Divisions IV and V, the following terms and expressions mean:

"employment" or "rehabilitative employment": employment for which a senior staff member is reasonably qualified according to his education, training and experience; such employment may be a senior staff position

or equivalent employment to that held prior to his appointment as a senior staff member, a teaching, a professional or, for management personnel, a support staff position;

"total disability": total disability within the meaning of the compulsory basic long-term salary insurance plan;

"benefit": benefit that a senior staff member would have received had he been eligible for the compulsory basic long-term salary insurance plan.

Cost sharing of compulsory basic plans

56.1 The cost of the compulsory basic plans shall be shared by the government and all the participants of the plans according to the terms and conditions of the agreement concluded on June 22, 1994 between the Government of Québec and the associations representing the participants of the group insurance plans of management staff in the public and parapublic sectors for the duration of the said agreement.

The cost of the complementary plans shall be assumed entirely by the participant of those plans.

Sectorial Committee

56.2 A sectorial committee shall be set up, at the request of either party, to analyse any problem dealing with the return to work and to propose appropriate solutions to the problems encountered by the college, the senior staff member and the insurer, particularly in the case of a return to work which could involve the temporary use of the senior staff member's services or his moving. This committee shall be composed of a representative from each of the following bodies: the Fédération des cégeps, the Association des cadres des collèges du Québec and the Ministry of Education. The committee may call upon resource people, as needed.

Medical Arbitration Tribunal

56.3 Where the college is advised by the insurer that a senior staff member no longer complies or does not comply with the definition of total disability and that the payment of his benefit shall be suspended or refused, it may submit the disagreement to contest the insurer's decision to the Medical Arbitration Tribunal in order to determine whether the senior staff member complies with the definition of total disability in accordance with the medical arbitration agreement concluded with the insurer and provided that the senior staff member agrees that the disagreement be submitted to the tribunal for a final decision. The disagreement may be submitted directly to the tribunal or after the college has required, at

its expense, that the senior staff member undergo a medical examination.

A senior staff member may, under the conditions prescribed in the medical arbitration agreement, submit the disagreement to the Medical Arbitration Tribunal to contest the insurer's decision according to which he does not comply with the definition of total disability. In such case, the college shall not assume any costs.

56.4 The college shall pay a senior staff member a salary equal to the benefit for the period beginning on the date on which the payment of benefits was suspended or the refusal of payment came into effect and ending on the date of the Medical Arbitration Tribunal decision provided the following conditions are met:

1° the senior staff member was party to the medical arbitration agreement concluded with the insurer;

2° the disagreement between the college and the insurer or between the senior staff member and the insurer was validly submitted to the tribunal for a final decision in accordance with the medical arbitration agreement concluded with the insurer.

56.5 Where the Medical Arbitration Tribunal confirms that the senior staff member does not comply with the definition of total disability, the contributions of both the college and the senior staff member to the insurance and pension plans shall be paid retroactively to the date on which the payment of benefits was suspended or the refusal of payment by the insurer came into effect and the senior staff member shall continue to receive from the college a salary equal to the benefit until such time as it offers him a position. Where the senior staff member submits the disagreement to the tribunal, he must reimburse the college for the salary paid to him between the date of the suspension or the coming into effect of the refusal of payment of the benefit by the insurer and the tribunal's decision.

Where the Medical Arbitration Tribunal confirms the senior staff member's total disability, the college shall continue to pay the salary equal to the benefit until such time as the benefit is paid by the insurer. The insurer shall reimburse the college for the amounts paid to the senior staff member. The college shall reimburse the senior staff member, where applicable, for the arbitration and medical examination costs assumed.

Offer of employment

56.6 Where the college concurs with the insurer's decision to the effect that a senior staff member does not comply with the definition of total disability, it shall offer him a position in writing. Where the senior staff

member also concurs with the decision, the provisions prescribed for the waiting period for a position or acceptance of a position shall then apply. The same shall apply in the case where the Medical Arbitration Tribunal confirms that a senior staff member does not comply with the definition of total disability.

56.7 A senior staff member who accepts the position offered by the college under the provisions of this division shall receive the classification corresponding to the position. The salary determined at the time of the assignment of the new class due to disability cannot exceed the maximum of the salary scale of the position and the provisions prescribed in Division II of Chapter III shall not apply.

Contributions of both the senior staff member and the college to the insurance and pension plans shall be determined on the basis of the new salary.

Waiting period for a position

56.8 Where the college and a senior staff member agree with the insurer's decision according to which the senior staff member does not comply with the definition of total disability or, as of the date of the Medical Arbitration Tribunal's decision to that effect, the senior staff member shall receive a salary, during the waiting period for a position, equal to the benefit and the contributions of both the senior staff member and the college to the pension and insurance plans shall be determined on the basis of that salary. The college may use the senior staff member's services temporarily during that period.

56.9 The salary paid to a senior staff member equal to the benefit resulting from the application of the provisions of this division cannot extend beyond the date on which the benefit prescribed in the master policy ends.

Termination of employment

56.10 A senior staff member who does not comply with the definition of total disability after the first 104 weeks from the beginning of the total disability cannot refuse, at the risk of dismissal, a position offered to him in a college in his zone, except for the period during which he submitted his disagreement with the insurer to the Medical Arbitration Tribunal. The duration of the regular workweek of the position must not be less than that held by the senior staff member at the beginning of the total disability. Before proceeding with the dismissal, the college shall forward a fifteen-working day written notice to the senior staff member and shall forward a copy thereof to the sectorial committee.

During that period, the sectorial committee may make appropriate recommendations in accordance with section 56.2.

DIVISION V REHABILITATION

Eligibility

56.11 A senior staff member shall be eligible for the rehabilitation prescribed in the master policy if he meets the following eligibility criteria:

1° total disability began after March 31, 1994 and the senior staff member has been totally disabled for six months or more;

2° total disability began more than two years prior to the earlier of the following dates:

- a) his 65th birthday;
- b) the earlier date on which he becomes eligible for:
 - i. a retirement pension without actuarial reduction calculated with 35 years of service credited to his pension plan; or
 - ii. an actuarially reduced retirement pension the amount of which would correspond to that of a retirement pension without actuarial reduction calculated with 35 years of service credited to his pension plan.

56.12 However, a senior staff member shall not be eligible for rehabilitation in the following circumstances:

- 1° the attending physician or the insurer confirms that the return to work can be assured without any rehabilitation;
or
- 2° the insurer confirms that the senior staff member will not return to work;
or
- 3° the insurer confirms that the senior staff member does not qualify for rehabilitation.

Offer of rehabilitative employment

56.13 The senior staff member to whom the college has offered rehabilitative employment in writing must inform the latter in writing whether he accepts or refuses such rehabilitative employment, regardless of whether the rehabilitation commences before or after the first 104 weeks of disability. The duration of the regular workweek of such employment must not be less than that the senior staff member held at the beginning of the total disability.

56.14 The period during which a senior staff member holds, on a trial basis, rehabilitative employment, cannot have the effect of extending the period of total disability beyond the 104 weeks of short-term salary insurance benefits.

Rehabilitation occurs during the first 104 weeks

56.15 A senior staff member whose rehabilitation occurs during the first 104 weeks of disability shall be deemed totally disabled for that period and shall receive for the time worked while holding rehabilitative employment, a short-term salary insurance benefit equal to 90 % of the salary to which he would have been entitled had he been working in his position and, for the time not worked or the waiting period for such employment, where applicable, a short-term salary insurance benefit equal to 70 % of that salary.

This benefit shall be subject to the provisions relating to the exemption from the payment of contributions to the insurance and pension plans as well as to the provisions concerning the coordination of the benefit according to the terms and conditions prescribed in Division II.

However, the senior staff member whose rehabilitation occurs in his position shall receive his salary for the time worked.

Rehabilitation occurring before and after the 104th week

56.16 However, a senior staff member whose partial rehabilitation occurs after the 104th week of total disability shall benefit from the provisions prescribed in section 56.15 up to the end of the 104th week of disability.

From the 105th week to the end of the rehabilitation, a senior staff member shall receive, for the time worked, the salary earned from rehabilitative employment that he would have received had he been assigned the classification of such employment, provided that it not be less than the compulsory basic long-term salary insurance benefit and, for the time not worked, a salary equal to that benefit. However, a senior staff member whose rehabilitation occurs in his position shall receive his salary for the time worked and a salary equal to the compulsory basic long-term salary insurance benefit for the time not worked.

Rehabilitation after the 104th week

56.17 A senior staff member whose total rehabilitation occurs after the 104th week of total disability shall receive, for the time worked, the salary of the rehabilitative employment that he would have received had he

been assigned the classification of such employment, without it being less than the compulsory basic long-term salary insurance benefit.

Training and classification

56.18 The period of training or professional development of the senior staff member prescribed in the rehabilitation program approved by the insurer shall be considered as time worked.

56.19 A senior staff member shall be assigned the classification and the salary of the rehabilitative employment at the end of the 104th week of disability or, where applicable, at the end of the rehabilitation if the latter ends after the 104th week and the provisions of Division II of Chapter III do not apply.

Contributions of both the senior staff member and the college to the insurance and pension plans shall be determined on the basis of that salary.

DIVISION VI SPECIAL PROVISIONS

56.20 A senior staff member whose total disability began after March 31, 1994 and who returns to work may avail himself of the provisions of the compulsory complementary long-term salary insurance plan if he meets the conditions prescribed in the master policy. That plan provides for a benefit in addition to the salary.

56.21 A senior staff member who receives a benefit under the compulsory basic long-term salary insurance plan may choose to take, in lieu of that benefit, a total preretirement leave in application of section 94, but such total preretirement cannot exceed the date on which the benefit that would have otherwise been applicable to him under that plan ends.

56.22 The provisions dealing with the definition of total disability, the definition of period of total disability and the benefits, applicable to a senior staff member on disability on March 31, 1994, shall continue to apply to the said senior staff member.”

7. The following is substituted for Chapter VI:

“CHAPTER VI PARENTAL RIGHTS

DIVISION I GENERAL PROVISIONS

57. This chapter may not have the effect of giving a senior staff member a monetary or non-monetary ben-

efit which he or she would not have had if he or she had remained at work.

For the purposes of this chapter, spouse means either the man and the woman:

1° who are married and cohabiting;

2° who are living together as husband and wife and are the father and mother of the same child;

3° who have been living together as husband and wife for at least one year.

58. Maternity leave benefits shall be paid solely as a supplement to the employment insurance benefits or as payment during a period of unemployment caused by a pregnancy for which employment insurance does not provide benefits.

59. Where the granting of a leave is restricted to only one spouse, such restriction shall apply so long as the other spouse is also an employee of the public or parapublic sector.

60. The college shall not reimburse a senior staff member for the sums that could be required of her by Human Resources Development Canada under the Act respecting employment insurance.

61. The salary, deferred salary and severance payments shall not be increased or decreased by the amounts received under the supplementary employment insurance benefits plan.

DIVISION II MATERNITY LEAVE

62. The maximum duration of a maternity leave is 20 weeks which, subject to section 67, must be consecutive and include the day of delivery.

63. A senior staff member who becomes pregnant while she is benefiting from a leave without pay or a partial leave without pay referred to in this chapter shall also be entitled to such maternity leave and to the benefits attached thereto.

64. A senior staff member who gives birth to a still-born child after the beginning of the 20th week preceding the expected date of delivery shall also benefit from a maternity leave.

65. Should a senior staff member's spouse who is on maternity leave die, the remainder of the 20 weeks of maternity leave and the rights and benefits attached thereto shall be transferred to him.

66. The distribution of the maternity leave, before and after the birth, shall be the senior staff member's decision and shall include the day of the birth.

67. Where a senior staff member is sufficiently recovered from her delivery and her child is not able to leave the health establishment, she may suspend her maternity leave by returning to work.

A senior staff member whose child is hospitalized within 15 days of birth is entitled to the same privileges.

68. The leave may be suspended only once. It shall be completed when the child is brought home.

69. If the birth occurs after the due date, a senior staff member shall be entitled to extend her maternity leave for the length of time the birth is overdue, except if she still has two weeks of maternity leave left after the birth.

Furthermore, a senior staff member may extend her maternity leave by six weeks if her child's health requires that she do so.

During those extensions, a senior staff member shall not receive any benefit of salary. However, she shall be entitled to the benefits prescribed in section 88.12 provided she is entitled to them.

70. To obtain a maternity leave, a senior staff member must notify the college at least three weeks prior to the date of departure. Such notice must be accompanied by a medical certificate attesting to the pregnancy and the due date.

The time limit regarding the presentation of the notice may be less if a medical certificate attests that the senior staff member must leave her job sooner than expected. In case of an unforeseen event, a senior staff member shall be exempted from the formality of the notice provided that she give the college a medical certificate stating that she had to leave her job immediately.

§1. Cases Eligible for Employment Insurance

71. The senior staff member who has accumulated 20 weeks of service and who, following the submission of a request for benefits in accordance with the employment insurance plan, receives such benefits, shall be entitled, during her maternity leave to receive:

1° for each week of the waiting period stipulated by the employment insurance plan, a benefit equal to 93 % of her basic weekly salary;

2° for each week she is receiving employment insurance benefits, an additional benefit equal to the differ-

ence between 93 % of her basic weekly salary and the weekly employment insurance benefit that she is receiving.

The additional benefit is calculated on the basis of the employment insurance benefits to which the senior staff member is entitled, without taking into account the amounts deducted from those benefits in reimbursement of benefits, interest, penalties and other amounts recoverable under the employment insurance plan.

The maternity leave allocation paid by the ministère de la Sécurité du revenu du Québec shall be deducted from the benefits to be paid under this subdivision.

However, in the case of the senior staff member who works for more than one employer, she shall receive an additional benefit equal to the difference between 93 % of her basic weekly salary paid by the college and the percentage of the employment insurance benefits corresponding to the proportion of basic weekly salary it pays her in relation to the total basic weekly salaries paid by all the employers. To this end, the senior staff member shall provide each of her employers with a statement of the weekly salaries paid by each of them and the amount of the benefits paid by Human Resources Development Canada.

Where the number of weeks of employment insurance benefits, where applicable, is reduced by Human Resources Development Canada, a senior staff member shall continue to receive the additional benefit without taking into account such reduction by Human Resources Development Canada as if she had received employment insurance benefits during that period.

3° for each of the weeks that follow those described in paragraph 2° of this section, a benefit equal to 93 % of her basic weekly salary up to the end of the 20th week of the maternity leave.

72. An absent senior staff member shall accumulate service if her absence is authorized, particularly for total disability, and includes benefits or remuneration.

73. For the purposes of this division, basic weekly salary means the senior staff member's regular remuneration distributed on a weekly basis.

74. No benefit may be paid during a period of vacation for which the senior staff member is paid.

75. The college may not, by paying benefits to a senior staff member on maternity leave, compensate for a reduction in employment insurance benefits resulting from the salary earned with another employer.

76. Notwithstanding section 75, the college shall pay that compensation if the senior staff member proves that the salary earned with another employer is her usual salary by means of a letter to that effect from the employer paying it. If the senior staff member proves that only a portion of the salary is usual, the compensation shall be limited to that portion.

77. An employer paying the usual salary as determined in section 76 must produce the letter upon request by the senior staff member.

78. The total amounts received by the senior staff member during her maternity leave in employment insurance benefits, benefits and salary may not exceed 93 % of the salary paid by her employer or, where applicable, her employers.

79. The indemnity due for the first two weeks shall be paid by the college within the two weeks following the beginning of the leave; the indemnity due after that date shall be paid at two-week intervals. In the case of a senior staff member who is eligible for employment insurance benefits, the first instalment shall only be payable 15 days after the college obtains proof that she is receiving employment insurance benefits. For the implementation of this section, a statement of benefits, a stub or information provided by Human Resources Development Canada to the college by means of a computerized statement is considered proof.

80. Service shall be calculated with all the employers in the public or paraprofessional sector.

81. A senior staff member may defer a maximum of four weeks' annual vacation if it falls within her maternity leave and if she notifies the college in writing of the date of such deferral no later than two weeks before the termination of the said maternity leave.

§2. Cases not Eligible for Employment Insurance

82. A senior staff member who is excluded from employment insurance benefits or who is declared ineligible shall also be excluded from any other benefit. However, a full-time senior staff member who has accumulated 20 weeks of service shall also be entitled, for ten weeks, to a benefit equal to 93 % of her basic weekly salary in accordance with this division if she is not eligible for employment insurance benefits because she did not hold an insurable job for at least 20 weeks during the reference period stipulated in the employment insurance plan.

DIVISION III PATERNITY LEAVE

83. Paternity leave for a senior staff member whose spouse is giving birth shall be for a maximum period of five working days. The leave may be discontinuous but must be taken between the beginning of the delivery and the 15th day following the mother's or the child's return home.

DIVISION IV LEAVES FOR ADOPTION AND LEAVES WITHOUT PAY FOR THE PURPOSE OF ADOPTING CHILD

84. A senior staff member who legally adopts a child, other than his or her spouse's child, shall benefit from a leave for a maximum duration of 10 consecutive weeks, provided that his or her spouse does not also benefit. This leave must be taken after the placement order for the child or an equivalent procedure in the case of an international adoption in accordance with the adoption plan or at another time agreed to with the college.

85. For every week of the leave mentioned in section 84, a senior staff member shall receive a benefit equal to the remuneration such senior staff member would have received had he or she been working.

86. Leave at the time of the legal adoption of a child for the senior staff member not benefiting from the leave for adoption mentioned in section 84 shall be for a maximum duration of five working days, of which only the first two shall be paid.

This leave may be discontinuous but it may not be taken more than 15 days following the child's arrival home.

However, if it involves the spouse's child, the senior staff member shall be entitled only to a leave without pay for a maximum duration of two working days.

87. A senior staff member shall benefit for the purpose of adopting a child from a leave without pay of a maximum duration of 10 weeks from the date he or she assumes full legal responsibility for the child. If it results in an adoption, a senior staff member may convert such leave without pay into a leave with pay in accordance with section 84.

88. A senior staff member who travels outside of Québec in order to adopt a child shall obtain for that purpose and upon written request to the college four weeks in advance where possible, a leave without pay for the time required for travelling. If it results in the full legal responsibility for the child, the maximum duration

of the leave without pay shall be 10 weeks in accordance with section 87.

88.1 Sections 84 and 87 shall not apply to a senior staff member who adopts his or her spouse's child.

88.2 The leave for adoption mentioned in section 84 may take effect on the date of the beginning of the leave without pay for the purpose of adopting a child, if its duration is 10 weeks and if the senior staff member so decides after the placement order.

Where the leave for adoption takes effect on the date of the beginning of the leave without pay, the senior staff member shall be entitled exclusively to the benefits prescribed for the adoption leave.

DIVISION V LEAVES WITHOUT PAY

88.3 Leave without pay as extended maternity, paternity or adoption leave shall be of a maximum duration of two years.

A senior staff member who wishes to terminate such leave during the first 34 weeks must submit a written notice to that effect at least 21 days prior to his or her return.

A senior staff member who does not avail himself or herself of the leave without pay may, for the portion of the leave that his or her spouse has not used, benefit, at his or her choice, from a leave without pay.

88.4 A senior staff member who does not avail himself or herself of the leave mentioned in section 88.3 may benefit, after the birth or adoption of a child, from a leave without pay for a maximum period of 34 continuous weeks which begins at the time the senior staff member chooses and ends no later than one year after the birth or, in the case of adoption, one year after he or she assumes full legal responsibility for the child. However, this paragraph shall not apply to the senior staff member who adopts his or her spouse's child.

A senior staff member who wishes to terminate his or her leave before the anticipated date must submit a written notice to that effect at least 21 days prior to his or her return.

88.5 A leave without pay or a partial leave without pay for a maximum period of one year shall be granted to the senior staff member whose minor child experiences socioemotional problems or whose minor child is handicapped or is suffering from a prolonged illness and who requires his or her care.

88.6 A senior staff member may be absent from work for a maximum of six days per year, in cases where his or her presence is required, to fulfil obligations relating to the health, safety or education of his or her child; the days thus used shall be deducted from the senior staff member's bank of sick-leave days and, failing that, the days of absence shall be without pay.

88.7 The college and a senior staff member must agree, in advance, on the terms and conditions of the leave without pay.

Notwithstanding the first paragraph, upon return from a maximum 12-week leave without pay, a senior staff member shall resume the position he or she would have held if he or she had been at work, subject to the implementation of the provisions of Chapter X of this Regulation.

DIVISION VI OTHER SPECIAL LEAVES AND PREVENTIVE REASSIGNMENT

88.8 A senior staff member shall be entitled to a special leave in the following cases:

1° when a complication in the pregnancy or a risk of miscarriage requires a work stoppage for a period prescribed by a medical certificate; such special leave cannot be extended beyond the beginning of the 8th week preceding the due date;

2° upon presentation of a medical certificate prescribing the duration, when a natural or induced miscarriage occurs before the beginning of the 20th week preceding the due date;

3° for medical examinations related to the pregnancy carried out by a health professional and attested to by a medical certificate or for examinations carried out by a midwife pursuant to the Act respecting the practice of midwifery within the framework of pilot projects (1990, c. 12).

88.9 As regards the examinations referred to in paragraph 3° of section 88.8, a senior staff member shall benefit from a special leave with pay for a maximum of four days which may be taken in half-days.

88.10 During the special leaves obtained under this division, a senior staff member shall be entitled to the benefits prescribed in sections 88.12 and 88.14.

Notwithstanding paragraph 1° of section 88.12, the senior staff member covered by section 88.8 may also avail herself of the benefits under the salary insurance

plan. However, in the case of paragraph 3° of section 88.8, a senior staff member must first have used up the four days prescribed in section 88.9 before benefiting from the basic salary insurance plan.

88.11 A senior staff member who benefits from preventive reassignment by virtue of the Act respecting industrial accidents and occupational diseases shall avail herself of the benefits prescribed in sections 81 and 88.12 insofar as she is normally entitled to them and may subsequently avail herself of the provision prescribed in section 88.14.

DIVISION VII OTHER PROVISIONS

88.12 During a maternity leave or a 10-week leave for adoption, a senior staff member shall avail himself or herself of the following benefits, insofar as he or she is normally entitled to them:

1° insurance plans excluding salary insurance benefits. However, in the case of a maternity leave, a senior staff member shall be exempted from the payment of premiums to his or her insurance plans as prescribed in the provisions of the master policy;

2° accumulation of vacation;

3° accumulation of experience and continuous service for stability of employment purposes.

The applicable maternity leave benefits cannot exceed 93 % of the basic weekly remuneration.

88.13 During a leave without pay in accordance with this chapter, the insurance plans shall apply to a senior staff member according to the provisions prescribed in section 42.

88.14 Upon return from a maternity leave, paternity leave, leave for adoption or leave without pay for the purpose of adopting a child, a senior staff member shall resume the position he or she would have held if he or she had been at work, subject to the implementation of the provisions of Chapter X of this Regulation.

88.15 The college and a senior staff member shall agree, in advance, on the terms and conditions of a leave without pay for the purpose of adopting a child, a maternity leave, a paternity leave or a leave for adoption.”

8. Chapter VIII is amended as follows:

— The following is substituted for section 99:

“**99.** The deferred or anticipated salary plan, called “the plan” for the purposes of this chapter, is intended to enable a senior staff member who is not designated as supernumerary senior staff to spread his salary so as to benefit from remuneration during a period of leave. However, the purpose of the plan is not to enable a senior staff member to defer income tax or to receive benefits upon his retirement.”

The following sentence is added to the second paragraph of section 101:

“Nevertheless, the leave must begin no later than the expiry of a maximum period of 6 years from the date on which the amounts begin to be deferred.”

The following sentence is added to section 102:

“Notwithstanding any provision to the contrary, the leave cannot be interrupted under any circumstances whatsoever.”

The following is substituted for the first sentence of section 105:

“At the end of the period of leave or at the end of the leave prescribed in this Regulation that follows the period of leave, a senior staff member shall return to work on a full-time basis subject to the provisions of the regulation respecting engagement and stability of employment. A senior staff member must remain in the employ of the college for a duration at least equivalent to the duration of his period of leave.”

The following paragraph is added to section 106:

“During the leave, a senior staff member may not receive any remuneration from the college or from another person or company with which the college has ties within the requirements of tax legislation other than the amount corresponding to the percentage of his salary for the duration of the leave.”

The following is substituted for section 108:

“**108.** Subject to the provisions of this chapter, during the leave, a senior staff member shall be deemed to be on a leave without pay for the purposes of applying the working conditions.”

The following sections 108.1, 108.2 and 108.3 are added:

“**108.1** Subject to the provisions concerning the short-term salary insurance plan, a senior staff member shall continue to benefit, for the duration of his participation

in the plan, from the insurance plans on the basis of the time normally worked prior to the beginning of the plan.

Contributions of the college and of the senior staff member shall be maintained on the basis of the time normally worked prior to the beginning of the plan.

108.2 For the purposes of the short-term salary insurance plan, the following provisions shall apply:

1° a senior staff member who becomes totally disabled during the leave with deferred or anticipated salary cannot, during the leave, benefit from the short-term salary insurance plan.

Where a senior staff member continues to be totally disabled at the end of the leave, he shall benefit from the short-term salary insurance plan as of the date foreseen for the return to work on the basis of the percentage of salary of the plan for the remainder of the plan. Disability shall then be considered as beginning on the date foreseen for the senior staff member's return to work;

2° a senior staff member who becomes totally disabled during the plan, but after having taken his leave with deferred or anticipated salary, shall benefit from the short-term salary insurance plan on the basis of the percentage of salary of the plan;

3° a senior staff member who becomes totally disabled prior to the leave with deferred or anticipated salary and whose disability continues until the date on which the leave with deferred or anticipated salary is scheduled may choose one of the following options:

a) either continue to participate in the plan and postpone the period of leave with deferred or anticipated salary to a time when he is no longer disabled.

If the total disability continues during the last year of the plan, it may be interrupted from the scheduled beginning of the leave with deferred or anticipated salary to the end of the total disability. During that period, a senior staff member shall be entitled to short-term salary insurance benefits and the leave with deferred salary may begin on the date on which the total disability ceases;

b) or terminate the plan and receive the unpaid salary, without interest, for the elapsed period of the leave.

108.3 Where the total disability continues after 104 weeks, the plan shall terminate and the following provisions shall apply:

1° if a senior staff member has already benefited from the leave with deferred or anticipated salary, an overpayment of salary shall not be claimable;

2° if a senior staff member has not yet benefited from the leave with deferred or anticipated salary, he shall receive the unpaid salary, without interest, for the elapsed period of the plan.

A senior staff member shall then benefit from the compulsory basic long-term salary insurance plan."

The following is substituted for the first paragraph of section 115:

"**115.** If a maternity leave (twenty (20) weeks) begins before or after the period of leave, participation in the plan shall be suspended for a maximum period of twenty (20) weeks (employment insurance then becomes the first payer and the college makes up the difference to total 93 % of the regular salary) and the plan is then extended for not more than twenty (20) weeks."

9. Chapter VIII.1 is amended as follows:

The following is substituted for section 116.2:

"**116.2** The program shall allow a senior staff member to reduce the time worked, for a period of between 1 and 5 years, in a proportion such that the time worked, for each of the calendar years or parts thereof contemplated by the progressive retirement, cannot be less than 40 % or greater than 80 % of the time worked of a regular full-time senior staff member.

For the purposes of this chapter, parts of a calendar year mean the portion of the calendar year when a senior staff member's progressive retirement begins and when it ends."

The following is substituted for section 116.11:

"**116.11** A senior staff member shall be entitled, for the duration of the agreement, to be covered by the insurance plans on the basis of the time normally worked prior to the beginning of the agreement.

Notwithstanding the first paragraph, a senior staff member shall receive a short-term salary insurance benefit on the basis of the time worked prescribed for each of the calendar years or parts thereof contemplated by the agreement. The short-term salary insurance benefits shall be paid for the entire duration of the total disability without extending beyond the expiry of the agreement.

However, where the duration of the agreement extends beyond 104 weeks, a senior staff member shall continue to participate in the compulsory long-term salary insurance plans, subject to the provisions prescribed in the master policy.”

The following is substituted for section 116.12:

“**116.12** During the progressive retirement, the contribution of the employer and that of the senior staff member to the insurance plans shall be maintained on the basis of the time normally worked by the senior staff member prior to the agreement.

Where the duration of the agreement extends beyond 104 weeks, the contribution of the employer and that of the senior staff member to the compulsory long-term salary insurance plans shall be maintained, subject to the provisions prescribed in the master policy.”

10. Section 116.19 is amended by adding the following paragraph:

“On the other hand, where the gradual preretirement leave spreads over a period of over 104 weeks, a senior staff member shall continue to participate in the compulsory long-term salary insurance plans, subject to the provisions prescribed in the master policy.”

11. The following is substituted for section 167.1:

“**167.1** A senior staff member who has submitted a complaint to the Appeals Committee concerning the discontinuation of the relationship of employment by the college, shall continue to participate in the uniform life insurance plan. Moreover, he must continue to participate in the compulsory basic accident insurance plan by paying his contribution and that of the employer to that plan and may, if he so desires, continue to participate in the insured plans until the date of the Appeals Committee’s decision or a settlement reached by the parties, provided a written request to that effect be forwarded to the insurer according to the provisions prescribed in the master policy. A senior staff member who continues to participate in the insured plans shall also continue to participate in the survivors’ pension plan according to the provisions prescribed for that plan.

Should a senior staff member be reinstated as a result of a decision rendered by the Appeals Committee in favour of the senior staff member or a settlement reached by the parties, he shall be entitled to the reimbursement of the contribution normally paid by the college for the plans in which he continued to participate and, where applicable, to the reimbursement of the premium paid to cover his continued participation in the survivor’s pension plan, retroactively to the date of the discontinuation

of the relationship of employment and any total disability which began since that date shall then be recognized.”

12. Section 182 is repealed.

13. Section 184 is repealed.

14. Section 185 is amended by substituting, in the first and second paragraphs, the expression “1.3 days” for “1.5 days”.

15. The following is substituted for Schedule IV:

“SCHEDULE IV

RULES OF SALARY REVIEW

DIVISION I

INCREASE IN SALARY SCALES ON 1 APRIL 1997

1. Subject to provisions to the contrary in this Regulation, the salary of the senior staff member who has not reached the maximum of his salary scale on 31 March 1997 shall be increased by 4.0 % on 1 April 1997, without exceeding the maximum of his salary scale.

2. The salary of a senior staff member newly appointed to such position for less than 4 months before 1 April 1997 shall not be entitled to the salary increase determined in section 1.

3. Notwithstanding section 1, a college is not required to pay the entire increase to a senior staff member whose performance is deemed unsatisfactory.

DIVISION II

CRITERIA APPLICABLE TO CERTAIN SENIOR STAFF MEMBERS ON DISABILITY LEAVE

4. A senior staff member on disability leave during the period from 1 July 1995 to 31 March 1997 who held a position for a least 6 months during that period is entitled to the salary increase determined in section 1.

5. Where a senior staff member returns from sick leave which began prior to 1 April 1994, the salary shall be determined by maintaining the same relative position as that of his salary at the end of the first 104 weeks of disability in relation to the salary scale that was then applicable.”

16. Schedule V is amended by substituting the following for Table 2:

“TABLE 2

SALARY SCALES APPLICABLE TO SENIOR STAFF WHOSE CLASSIFICATION WAS THE SUBJECT OF A SPECIAL EVALUATION IN APPLICATION OF SECTION 17 OF THE REGULATION

Class	Minimum	Maximum
5	29 607	35 779
6	30 950	37 509
7	32 330	39 290
8	33 737	41 117
9	35 398	43 246
10	37 401	45 834
11	39 473	48 503
12	41 608	51 261
13	43 809	54 107
14	a) 46 425	a) 57 482
	b) 47 896	b) 59 380
15	a) 49 367	a) 61 279
	b) 50 889	b) 63 244
16	a) 52 410	a) 65 209
	b) 53 984	b) 67 242
17	a) 55 558	a) 69 275
	b) 57 183	b) 71 375
18	a) 58 807	a) 73 475
	b) 60 621	b) 75 819
19	a) 62 436	a) 78 163
	b) 64 522	b) 80 859
20	66 607	83 554
21	70 928	89 138

17. This Regulation comes into effect on the date of its publication in the *Gazette officielle du Québec*. However, sections 41.3, 42 and 167.1 take effect as of January 1, 1997.

Draft Regulations

Draft Regulation

Professional Code
(R.S.Q., c. C-26)

Medical Technologists

— Equivalence standards for the issue of a permit

Notice is hereby given, in accordance with sections 10 and 11 of the Regulations Act (R.S.Q., c. R-18.1), that the Bureau of the Ordre professionnel des technologistes médicaux du Québec has made the Regulation respecting equivalence standards for the issue of a permit by the Ordre professionnel des technologistes médicaux du Québec, the text of which appears below.

The Regulation will be examined by the Office des professions du Québec in accordance with section 95 of the Professional Code. It will then be submitted, with the recommendation of the Office, to the Government, which may approve it with or without amendment, upon the expiry of 45 days following this publication.

The main purpose of the Regulation is to establish, as required by the Professional Code, equivalence standards to allow the Bureau of the Ordre professionnel des technologistes médicaux du Québec to recognize, for the purpose of issuing a permit of the Order, the equivalence of diplomas issued by educational establishments situated outside Québec and the equivalence of training acquired in Québec as well as outside Québec, for persons who do not hold a diploma recognized by regulation of the Government as meeting the requirements for issue of the permit of the Order.

The Regulation does not apply to members of the Order. It is aimed mainly at candidates for the practice of the profession, that is, persons who want to obtain, from the Order, a permit to practise the profession but who do not hold one of the diplomas recognized as meeting the requirements for issue of the permit of the Order, listed in the Regulation respecting the diplomas issued by designated teaching establishments which give access to permits or specialist's certificates of professional orders.

Further information concerning the Regulation may be obtained by contacting Mr. Alain Collette, Secretary and Director General of the Ordre professionnel des technologistes médicaux Québec at the following address: 1150, boulevard Saint-Joseph Est, bureau 300, Montréal (Québec), H2J 1L5; tel.: (514) 527-9811 or 1-800-567-7763; fax: (514) 527-7314.

Any person having comments to make concerning the Regulation is asked to send them, before the expiry of the 45-day period mentioned above, to the Chairman of the Office des professions du Québec, complexe de la place Jacques-Cartier, 320, rue Saint-Joseph Est, 1^{er} étage, Québec (Québec), G1K 8G5. Those comments will be forwarded by the Office to the Minister responsible for the administration of legislation respecting the professions; they may also be sent to the professional order that made the regulation, that is, the Ordre professionnel des technologistes médicaux du Québec, and to interested persons, departments and bodies.

ROBERT DIAMANT,
*Chairman of the Office
des professions du Québec*

Regulation respecting equivalence standards for the issue of a permit by the Ordre professionnel des technologistes médicaux du Québec

Professional Code
(R.S.Q., c. C-26, s. 93, par. c and s. 94.1; 1994,
c. 40, s. 80)

DIVISION I GENERAL

1. In this Regulation,

“diploma equivalence” means the recognition by the administrative committee of the Order that a diploma issued by a teaching establishment outside Québec certifies that a candidate's level of knowledge is equivalent to the level attained by the holder of a diploma recognized as meeting permit requirements;

“training equivalence” means the recognition by the administrative committee of the Order that a candidate's training demonstrates that he has attained a level of knowledge equivalent to the level attained by the holder of a diploma recognized as meeting permit requirements.

2. The secretary of the Ordre professionnel des technologistes médicaux du Québec shall forward a copy of this Regulation to a candidate wishing to have a diploma or training recognized as equivalent.

DIVISION II PROCEDURE FOR THE RECOGNITION OF DIPLOMA AND TRAINING EQUIVALENCE

3. A candidate wishing to be granted an equivalence shall provide the secretary with the following documents required to support his application, together with the fees required in accordance with paragraph 8 of section 86.0.1 of the Professional Code (R.S.Q., c. C-26) for study of the application:

(1) his academic record, including a list of the courses and a transcript of the marks obtained, a description of the courses taken and their duration;

(2) proof that the diploma was awarded, where applicable;

(3) a document attesting to his participation in a professional training period and a description of the training period, where applicable;

(4) a description of his relevant work experience, where applicable.

Documents not written in French or English shall be accompanied by a certified translation.

4. The secretary shall forward the documents provided for in section 3 to a committee formed by the Bureau in accordance with paragraph 2 of section 86.0.1 of the Professional Code to examine applications for equivalence and to make an appropriate recommendation in respect of each application.

5. Subject to section 6, at the first meeting following the date of receipt of that recommendation, the administrative committee shall decide whether it will grant the equivalence and shall notify the candidate in writing within 15 days of its decision.

6. Where the administrative committee has reason to believe that it is not expedient to grant equivalence, it shall notify the candidate in writing and shall give him an opportunity to be heard.

A candidate who receives the information referred to in the first paragraph may apply to the administrative committee for a hearing, provided that he applies therefor to the secretary in writing within 30 days of the mailing of the notice.

Within 45 days following receipt of such application, the administrative committee shall hear the candidate and, where expedient, shall review its decision. Not less

than 10 days before the date of the hearing, the secretary shall convene the candidate by means of a written notice sent by registered or certified mail.

The administrative committee's decision is final and shall be sent in writing to the candidate within 15 days following the date of the hearing.

7. Within 15 days of its decision not to grant the equivalence, the administrative committee shall notify the candidate in writing of the number of credits or courses that are lacking or that do not meet the requirements of section 8 or of the program of study, training periods or examinations which, taking into consideration his current level of knowledge, must be successfully completed for the equivalence to be granted.

DIVISION III STANDARDS OF DIPLOMA EQUIVALENCE

8. A candidate who holds a diploma in medical laboratory technology awarded by an educational establishment outside Québec shall be granted a diploma equivalence if he holds

(1) a diploma awarded upon completion of college-level studies comprising a minimum of 92 2/3 credits, with each credit corresponding to 45 hours of course attendance and personal study and with at least 53 2/3 of those credits being apportioned as follows:

(a) biochemistry	8 2/3
(b) haematology	9
(c) microbiology	7 1/3
(d) histology	5 2/3
(e) instrumental technology	9
(f) clinical internship in haematology and coagulation	2 2/3
(g) clinical internship in clinical biochemistry	4
(h) clinical internship in microbiology	4
(i) clinical internship in histology and cytology	1.3
(j) clinical internship in immunohaematology	2; or

(2) a diploma in medical laboratory technology, awarded by a foreign educational establishment, that meets the standards set by the Conjoint Committee for the Accreditation of Educational Programs in Medical Laboratory Technology of the Canadian Medical Association. Any reference to those standards includes any later amendment made to them.

9. Notwithstanding section 8, where the diploma in respect of which an application for equivalence has been filed was awarded 5 years or more prior to the date of the application, diploma equivalence shall be denied if the knowledge recognized by the diploma no longer corresponds to the knowledge currently being taught, taking into account developments in the profession.

DIVISION IV STANDARDS OF TRAINING EQUIVALENCE

10. Subject to section 11, a candidate shall be granted a training equivalence if he demonstrates that he has attained a level of knowledge equivalent to that of a holder of a diploma recognized as meeting permit requirements.

11. To determine whether a candidate has demonstrated that he has attained the level of knowledge required by section 10, the administrative committee shall take all of the following factors into account:

- (1) the diplomas awarded in Québec or elsewhere;
- (2) the nature and content of the training courses taken;
- (3) the training periods completed;
- (4) the total number of years of schooling;
- (5) the nature and duration of his experience; and
- (6) his knowledge of the profession and professional ethics.

Where the assessment made under the first paragraph does not make it possible to make a decision, the administrative committee may impose an examination or a training period to complete its assessment.

DIVISION V FINAL

12. This Regulation replaces the Regulation respecting the standards for equivalence of diplomas for the

issue of a permit of the Ordre professionnel des technologistes médicaux du Québec, approved by Order in Council 1654-92 dated 11 November 1992.

13. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

1474

Draft Regulation

An Act respecting private education
(R.S.Q., c. E-9.1)

Private educational institutions — 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 private educational institutions at the preschool, elementary school and secondary school levels, the text of which appears below, may be made by the Minister of Education at the expiry of 45 days following this publication.

The purpose of the Draft Regulation is to define the expression “student from outside Québec” and to establish the additional contribution that a private educational institution may require of such student.

To date, study of this matter has revealed no significant impact on businesses.

Further information may be obtained from Mr. René Lepage, Direction générale du financement et des équipements, ministère de l'Éducation, 1035, rue De La Chevrotière, 14^e étage, Québec (Québec), G1R 5A5; tel.: (418) 643-5432.

Any interested person having comments to make on this matter is asked to send them in writing, before the expiry of the 45-day period, to the Minister of Education, 1035, rue De La Chevrotière, 16^e étage, Québec (Québec), G1R 5A5.

PAULINE MAROIS,
Minister of Education

Regulation to amend the Regulation respecting private educational institutions at the preschool, elementary school and secondary school levels

An Act respecting private education
(R.S.Q., c. E-9.1, s. 112)

1. The Regulation respecting private educational institutions at the preschool, elementary school and secondary school levels, made by Minister's Order 2-93 of the Minister of Education, dated 1 September 1993, is amended by inserting the following Chapter after section 10:

“CHAPTER V.1 RULES FOR DETERMINING THE ADDITIONAL FINANCIAL CONTRIBUTION THAT AN INSTITUTION MAY REQUIRE OF A STUDENT FROM OUTSIDE QUÉBEC

10.1 A student from outside Québec within the meaning of section 93 of the Act is a student who is not a Canadian citizen or a permanent resident within the meaning of the Immigration Act (R.S.C., 1985, c. I-2).

A student who is a Canadian citizen or a permanent resident and who is not in any of the following situations is also a student from outside Québec:

- (1) he was born in Québec or was adopted by a person having his residence in Québec at the time of the adoption;
- (2) one of his parents or his sponsor has his residence in Québec;
- (3) his parents or his sponsor are deceased, and one of his parents or his sponsor had his residence in Québec at the time of his death;
- (4) he maintains his residence in Québec despite the fact that his parents or his sponsor have ceased to reside here;
- (5) Québec is the last place in which he has had his residence for 12 consecutive months without being a full-time student during that time;

(6) he has a selection certificate issued under section 3.1 of the Act respecting immigration to Québec (R.S.Q., c. I-0.2) or has been residing in Québec for not less than three months without having resided in another province for more than three months, and his parents or his sponsor do not have their residence elsewhere in Canada;

(7) his spouse has or had his residence in Québec in accordance with the criteria set forth in subparagraphs 1 to 6.

For the purposes of this section, “parents” means the student’s father and mother, and “sponsor” means a Canadian citizen or a permanent resident, other than the father, mother or spouse, who sponsors an application for landing filed by a permanent resident within the meaning of the Immigration Act.

10.2 The following persons are nonetheless not deemed to be students from outside Québec:

(1) a dependent child of

(a) a member of a diplomatic mission, a member of consular post, a private servant of the head of a mission or a member of the private staff of the head of a consular post;

(b) a member of a permanent agency certified by an international body recognized by the Gouvernement du Québec, an employee of such body or a private servant of the person in charge of such agency or body;

(c) an employee of an international non-governmental body having entered into an agreement with the Gouvernement du Québec respecting the granting of tax exemptions and benefits;

(d) a person who has an employment authorization issued in accordance with the Immigration Act or who is exempted from the obligation to have such authorization under that Act;

(2) a person who comes to Québec under an exchange program or a cooperation program authorized by the Gouvernement du Québec and allowing an exemption from the additional financial contribution, except where the person is sponsored by a Canadian body or an international body that has not entered into such agreement with the Gouvernement du Québec;

(3) a person who comes from a state having entered into an agreement with the Gouvernement du Québec for the purpose of exempting the nationals of that state from paying the additional financial contribution;

(4) a person who has applied for refugee status within the meaning of the Immigration Act, a person who has been denied refugee status following an application therefor but whose presence on Canadian soil is nonetheless permitted, a person to whom refugee status has been granted and who has a selection certificate issued under section 3.1 of the Act respecting immigration to Québec;

(5) a person in respect of whom, in accordance with the Immigration Act, an application for permanent residence has been filed on the basis of humanitarian considerations or the public interest and who has a selection certificate issued under section 3.1 of the Act respecting immigration to Québec.

An exchange program or a cooperation program referred to in subparagraph 2 of the first paragraph means all the projects under a reciprocal agreement respecting tuition fees entered into with a foreign government, an international agency or a body.

10.3 The additional financial contribution that an institution may require of a student from outside Québec may not exceed the following amount per school year:

- | | |
|----------------------|--------------|
| (1) preschool level | \$2 275 ; |
| (2) elementary level | \$2 092 ; |
| (3) secondary level | \$ 2 919 .”. |

2. For the 1997-1998 school year, a Canadian citizen or a permanent resident within the meaning of the Immigration Act is not deemed to be a student from outside Québec.

3. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

1470

Draft Regulation

Education Act
(R.S.Q., c. I-13.3)

Definition of “resident in Québec”

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 respecting the definition of “resident in Québec”, the text of which appears below, may be made by the Government at the expiry of 45 days following this publication.

The purpose of the Draft Regulation is to define the expression “resident in Québec” for the purposes of the Education Act. Consequently, school boards will have to require a financial contribution for any student who is not resident in Québec and is not exempted from paying that contribution under the budgetary rules established each year by the Minister of Education in accordance with sections 472 to 475 of the Education Act.

I therefore intend that students who are not resident in Québec within the meaning of the draft of the Regulation below and who are not deemed to come from outside Québec within the meaning of section 10.2 of the Regulation respecting private educational institutions at the preschool, elementary school and secondary school levels, as introduced by section 1 of the draft of the Regulation to amend the Regulation respecting private educational institutions at the preschool, elementary school and secondary school levels, the text of which appears in this issue of the *Gazette officielle du Québec*, shall be exempted under the budgetary rules from paying the financial contribution.

To date, study of this matter has revealed no impact on businesses.

Further information may be obtained from Mr. René Lepage, Direction générale du financement et des équipements, ministère de l'Éducation, 1035, rue De La Chevrotière, 14^e étage, Québec (Québec), G1R 5A5; tel. (418) 643-5432.

Any interested person having comments to make on this matter is asked to send them in writing, before the expiry of the 45-day period, to the Minister of Education, 1035, rue De La Chevrotière, 16^e étage, Québec (Québec), G1R 5A5.

PAULINE MAROIS,
Minister of Education

Regulation respecting the definition of “resident in Québec”

Education Act
(R.S.Q., c. I-13.3, s. 455)

1. A student who is a Canadian citizen or a permanent resident within the meaning of the Immigration Act (R.S.C., 1985, c. I-2) and who is in any of the following situations is resident in Québec within the meaning of the Education Act (R.S.Q., c. I-13.3):

(1) he was born in Québec or was adopted by a person having his residence in Québec at the time of the adoption;

(2) one of his parents or his sponsor has his residence in Québec;

(3) his parents or his sponsor are deceased, and one of his parents or his sponsor had his residence in Québec at the time of his death;

(4) he maintains his residence in Québec despite the fact that his parents or his sponsor have ceased to reside here;

(5) Québec is the last place in which he has had his residence for 12 consecutive months without being a full-time student during that time;

(6) he has a selection certificate issued under section 3.1 of the Act respecting immigration to Québec (R.S.Q., c. I-0.2) or has been residing in Québec for not less than three months without having resided in another province for more than three months, and his parents or his sponsor do not have their residence elsewhere in Canada;

(7) his spouse has or had his residence in Québec in accordance with the criteria set forth in subparagraphs 1 to 6.

For the purposes of the first paragraph, the word “parents” means the student’s father and mother, and the word “sponsor” means a Canadian citizen or a permanent resident, other than the father, mother or spouse, who sponsors an application for landing filed by a permanent resident within the meaning of the Immigration Act.

2. This Regulation comes into force on the fifteenth day following the date of its publication in the *Gazette officielle du Québec*.

Transport

Gouvernement du Québec

O.C. 722-97, 28 May 1997

An Act respecting roads
(R.S.Q., c. V-9)

Rest areas, service areas, control stations

Lookouts, rest areas, service areas and control stations situated upon the right of way of a road under the management of the Minister of Transport

WHEREAS under section 2 of the Act respecting roads (R.S.Q., c. V-9), the Government shall determine, by an order published in the *Gazette officielle du Québec*, the roads which shall be under the management of the Minister of Transport;

WHEREAS under the second paragraph of the same section 2, any other road which is not under the responsibility of the Government or a government department or agency shall be managed in accordance with subdivision 22.2 of Division XI of the Cities and Towns Act (R.S.Q., c. C-19), or, as the case may be, Chapter 0.1 of Title XIX of the Municipal Code of Québec (R.S.Q., c. C-27.1);

WHEREAS under section 5 of the Act respecting roads, the provisions of that Act which apply to roads shall also apply to lookouts, rest areas, service areas, control stations and parking zones situated upon the right of way of a road;

WHEREAS Orders in Council 483-95 dated 5 April 1995, 327-96 dated 13 March 1996 and 1411-96 dated 13 November 1996 determined the lookouts, rest areas, service areas and parking zones situated upon the right of way of a road under the management of the Minister of Transport;

WHEREAS it is expedient to add control stations to the list of lookouts, rest areas and service areas that are already under the management of the Minister of Transport;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport:

THAT the Schedule to Order in Council 483-95 dated 5 April 1995 concerning lookouts, rest areas, service areas and parking zones be amended so as to add control

stations, as described in the Schedule to this Order in Council, following the alphabetical order of municipalities where they are located;

THAT this Order in Council take effect on the date of its publication in the *Gazette officielle du Québec*.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

SCHEDULE

LOOKOUTS, REST AREAS, SERVICE AREAS AND CONTROL STATIONS UNDER THE MANAGEMENT OF THE MINISTER OF TRANSPORT

Explanatory note

The lookouts, rest areas, service areas and control stations identified in the “Corrections to description”, “Additions” or “Deletion” are described for each municipality in which they are located under the following 3 headings:

(1) Name

Name of the road where the equipment is located.

(2) Type of infrastructure

Identification of the type of infrastructure: lookout, rest area, service area, control area or station.

If available, the official name recognized by the Commission de la toponymie is used.

(3) Location, road, segment, section

Identification of the location of the equipment.

Roads are identified by a sequence of figures composed of 4 different groups:

- Group 1: road number (5 figures);
- Group 2: road segment number (2 figures);
- Group 3: road section number (3 figures);
- Group 4: side of autoroute (left, right).

ADDITIONS

AMOS, V (8805500)

Road name	Type of infrastructure	Section
Route 111	Area	00111-01-091

ASCOT, M (4301500)

Road name	Type of infrastructure	Section
Route 108	Station	00108-01-172

BAIE-SAINT-PAUL, V (1601300)

Road name	Type of infrastructure	Section
Route 138	Station	00138-07-211

BLACK LAKE, V (3108500)

Road name	Type of infrastructure	Section
Route 112	Area	00112-05-032

BOUCHER, M (3505500)

Road name	Type of infrastructure	Section
Route 155	Area	00155-03-130

BOUCHERVILLE, V (5900500)

Road name	Type of infrastructure	Section
Autoroute 20	Station	00020-03-050 G

BROSSARD, V (5800500)

Road name	Type of infrastructure	Section
Autoroute 10	Station	00010-01-045 G

CABANO, V (1307000)

Road name	Type of infrastructure	Section
Route 185	Station	00185-01-065

CANDIAC, V (6702000)

Road name	Type of infrastructure	Section
Autoroute 15	Station	00015-01-061 D

CHAMBORD, M (9102000)

Road name	Type of infrastructure	Section
Route 169	Station	00169-02-261

CHARLESBOURG, V (2303000)

Road name	Type of infrastructure	Section
Autoroute 73	Station	00073-03-180 G

CHICOUTIMI, V (9405000)

Road name	Type of infrastructure	Section
Route 175	Station	00175-03-181

DEAUVILLE, VL (4303500)

Road name	Type of infrastructure	Section
Route 112	Station	00112-03-105

FLEURIMONT, M (43020000)

Road name	Type of infrastructure	Section
Autoroute 10	Area	00010-03-065 G

LA SARRE, V (8709000)

Road name	Type of infrastructure	Section
Route 393	Area	00393-02-011

LAVAL, V (6500500)

Road name	Type of infrastructure	Section
Autoroute 13	Station	00013-02-064 G
Autoroute 15	Area	00015-02-135 D
Autoroute 25	Station	00025-01-071 G

LES CÈDRES, M (7105000)

Road name	Type of infrastructure	Section
Autoroute 20	Station	00020-01-060 D

NEW RICHMOND, V (0507000)

Road name	Type of infrastructure	Section
Route 132	Station	00132-18-161

POHÉNÉGAMOOK, V (1309500)

Road name	Type of infrastructure	Section
Route 289	Area	00289-01-080

PONT-LEBEL, VL (9602500)

Road name	Type of infrastructure	Section
Route 138	Station	00132-92-280

SAINT-AUGUSTIN-DE-DESMAURES, P(2307000)

Road name	Type of infrastructure	Section
Autoroute 40	Station	00040-07-123 D
Autoroute 40	Station	00040-07-123 G

SAINT-BRUNO, M (9303000)

Road name	Type of infrastructure	Section
Route 169	Area	00169-01-161

SAINT-CÉLESTIN, M (5003500)

Road name	Type of infrastructure	Section
Autoroute 55	Station	00055-04-080 D

SAINT-ÉTIENNE-DE-LAUZON, M (2501000)

Road name	Type of infrastructure	Section
Autoroute 73	Station	00073-02-140 D

SAINT-ÉTIENNE-DES-GRÈS, P (3708000)

Road name	Type of infrastructure	Section
Autoroute 55	Station	00055-05-050 G

SAINT-MATHIEU-DE-BELOEIL, P (5704500)

Road name	Type of infrastructure	Section
Autoroute 20	Station	00020-03-082 D

SAINT-ROMUALD, V (2502500)

Road name	Type of infrastructure	Section
Autoroute 20	Station	00020-06-061 G

SAINT-THÉOPHILE, M (2900500)

Road name	Type of infrastructure	Section
Route 173	Area	00173-01-011

SAINTE-ANNE-DES-MONTS, V (0404000)

Road name	Type of infrastructure	Section
Route 132	Station	00132-15-030

TROIS-RIVIÈRES-OUEST, V (3707000)

Road name	Type of infrastructure	Section
Autoroute 40	Station	00040-05-071 D
		00040-05-090 D

VAUDREUIL-DORION, V (7108300)

Road name	Type of infrastructure	Section
Autoroute 40	Station	00040-01-053 D

1467

Gouvernement du Québec

O.C. 723-97, 28 May 1997An Act respecting roads
(R.S.Q., c. V-9)**Roads under the management of the Minister of Transport**

Roads under the management of the Minister of Transport

WHEREAS under section 2 of the Act respecting roads (R.S.Q., c. V-9), the Government shall determine, by an order published in the *Gazette officielle du Québec*, the roads which shall be under the management of the Minister of Transport;

WHEREAS under section 3 of that Act, the Government may, by an order published in the *Gazette officielle du Québec*, determine that a road which is under the management of the Minister of Transport shall, from the date indicated in the order, be managed by a municipality in accordance with subdivision 22.2 of Division XI of the Cities and Towns Act (R.S.Q., c. C-19), or, as the case may be, Chapter 0.1 of Title XIX of the Municipal Code of Québec (R.S.Q., c. C-27.1);

WHEREAS Orders in Council 292-93 dated 3 March 1993, 492-93 dated 31 March 1993, 1127-93 dated 11 August 1993, 1607-93 dated 17 November 1993, 1292-94 dated 17 August 1994, 73-95 dated 18 January 1995, 485-95 dated 5 April 1995, 325-96 dated 13 March 1996, 686-96 dated 5 June 1996 and 1410-96 dated 13 November 1996 determined, by municipality, the roads under the management of the Minister of Transport;

WHEREAS it is expedient to amend the Schedule to those Orders in Council in order to correct the descriptions of certain roads, to add roads to those under the management of the Minister and to delete certain roads so as to transfer their management, under this Order in Council, to the municipalities on whose territory they are located;

WHEREAS it is expedient to list the roads whose right of way undergoes a change in width but whose length remains the same;

WHEREAS it is expedient to mention a road whose layout has been altered;

IT IS ORDERED, therefore, on the recommendation of the Minister of Transport:

THAT the Schedules to Orders in Council 292-93 dated 3 March 1993, 492-93 dated 31 March 1993, 1127-93 dated 11 August 1993, 1607-93 dated 17 November 1993, 1292-94 dated 17 August 1994, 73-95 dated 18 January 1995, 485-95 dated 5 April 1995, 325-96 dated 13 March 1996, 686-96 dated 5 June 1996 and 1410-96 dated 13 November 1996 concerning roads under the management of the Minister of Transport be amended, with respect to the municipalities indicated, by adding and deleting certain roads listed in the Schedule attached to this Order in Council and by correcting the descriptions and widths of rights of way and the layout of the roads listed in that Schedule;

THAT this Order in Council take effect on the date of its publication in the *Gazette officielle du Québec*.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

SCHEDULE**ORDER IN COUNCIL CONCERNING ROADS UNDER THE MANAGEMENT OF THE MINISTER OF TRANSPORT****Explanatory note**

The lookouts, rest areas, service areas and control stations identified in the "Corrections to description", "Additions" or "Deletion" are described for each municipality in which they are located under the following 3 headings:

(1) Name

Name of the road where the equipment is located.

(2) Type of infrastructure

Identification of the type of infrastructure: lookout, rest area, service area, control area or station.

If available, the official name recognized by the Commission de la toponymie is used.

(3) Location, road, segment, section

Identification of the location of the equipment.

Roads are identified by a sequence of figures composed of 4 different groups:

Group 1: road number;

Group 2: road segment number (2 figures);

Group 3: road section number (3 figures);

Group 4: side of autoroute (left, right).

EXPLANATORY NOTE

A. CORRECTIONS TO DESCRIPTIONS, ADDITIONS, DELETIONS

The roads identified in the "Corrections to descriptions", "Additions" or "Deletions" division appearing in the Schedule to this Order in Council are described under the following 5 headings:

- (1) Route class;
- (2) Section identification;
- (3) Name;
- (4) Beginning of maintenance;
- (5) Length in km.

(1) Route class

The designation of the route classes is taken from the functional classification established by the Ministère des Transports.

(2) Section identification

From now on, roads are identified by a sequence of figures composed of 7 different groups:

Road: Group 1: road number;
Group 2: road segment number;
Group 3: road section number;

Sub-road: Group 4: the only figure other than zero that may appear in this group is 3, and it is used to identify one or more ramps;
Group 5: this group of figures indicates the sequential number of an intersection within a road segment;
Group 6: a letter identifying a ramp, if any;
Group 7: a letter identifying the type of roadway
(A: contiguous S: separate).

(3) Name

For roads whose number is lower than 1 000, the road number is indicated instead of the road name. For roads whose number is 10 000 or more, the road name is indicated instead of the road number.

Where there are one or more ramps along a road section, the total number of ramps for that section is also indicated; the combined length of all the ramps is indicated under "Length in kilometres".

(4) Beginning of maintenance

A description of physical landmarks used to situate the beginning of roads or road sections is indicated.

(5) Length in kilometres

The length in kilometres is indicated for each road or part of a road. That length, which is determined by the Minister of Transport, corresponds to the actual distance that a vehicle would travel between 2 points without taking into account the configuration of the road (number of lanes, extra width, etc.). Thus, the length is the same whether the road is an autoroute or a feeder road.

B. CHANGES IN WIDTH OF THE RIGHT-OF-WAY OR ALTERATION OF ROUTE

The roads identified in the "Changes in width of the right-of-way" or "Alteration of route" division appearing in the Schedule to this Order in Council are described for each municipality in which they are located under the following 6 headings:

(1) Section identification

From now on, the roads are identified by a sequence of figures composed of 3 different groups:

Route: Group 1: road number;
Group 2: road segment number;
Group 3: road section number;

(2) Name;

(3) Name of land surveyor;

(4) Minute number;

(5) Plan number;

(6) Length in km.

NOTE: Due to technical constraints, the place names appearing in the Schedules do not necessarily comply with the standards of the Commission de toponymie.

ADDITIONS:**BAIE-JOHAN-BEETZ, M (9803500)**

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00138-12-020-000-C	Route 138	1.7 km to the west bridge of Petite rivière Watshishou	22.06

BROSSARD, V (5800500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00030-02-860-000-S	Autoroute 30 6 ramps	Limit La Prairie, v	2.98 3.28

CANDIAC, V (6702000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00030-02-805-000-S	Autoroute 30 5 ramps	Intersection autoroute 15	1.91 2.55

GAGNÉ, CT (9490609)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	47788-03-010-000-C	Access road Parc des Monts-Valins	Limit Saint-Fulgence	1.60

HAVRE-SAINT-PIERRE, M (9804000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00138-11-120-000-C	Route 138	West side of bridge of Rivière à l'Ours	19.37

LA PRAIRIE, V (6701500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00030-02-840-000-S	Autoroute 30	Limit Saint-Philippe	1.68
		7 ramps		3.88
	00030-02-850-000-S	Autoroute 30	Intersection route 104	2.25
		5 ramps		4.68

NOUVELLE, M (0602000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	97210-01-020-000-C	Wafer and Miguasha routes	Intersection of route Miguasha	5.86
	97361-02-020-000-C	Route Miguasha	Fossiliferous Park of Miguasha	0.46

POINTE-AU-PÈRE, V (1003500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	94820-02-000-000-C	Avenue Père Nouvel	Intersection route 132	2.77

RIVIÈRE-BEAUDETTE, M (7100500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00325-01-005-000-C	Route 325	Intersection route 338	0.58

SAINT-ANACLET-DE-LESSARD, P (1003000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	94820-03-000-000-C	Rue de la Gare	Limit Pointe-au-Père	2.17

SAINT-FULGENCE, M (9403500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	47150-01-011-000-C	Rue Saguenay	Intersection 3rd access road	0.11
	47151-01-000-000-C	3rd access road	Intersection route 172	0.05
	47788-01-000-000-C	Rang Saint-Louis	Intersection rue du Saguenay	7.20
	47788=02-000-000-C	Access road Parc des Monts-Valins	End chemin Saint-Louis	5.58

SAINT-PHILIPPE, P (6701000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00030-02-815-000-S	Autoroute 30	Intersection rang Saint-Joseph	2.64

SAINT-HENRI-DE-TAILLON, M (9307000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	46760-01-000-000-C	Chemin du rang 3 Ouest	Intersection route 169	4.26

DELETION:**SAINT-FRÉDÉRIC, P (2706500)**

Route class	Section identification	Name	Beginning of maintenance	Length in km
Ress. acc.	85900-01-000-000-7	Rang Saint-Narcisse	Intersection Premier rang	2.40

CORRECTIONS TO DESCRIPTION:**AGUANISH, M (9803000)**

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00138-13-010-0-00-9	Route 138	Limit Drucourt, no	10.21
	00138-13-020-0-00-7	Route 138	Bridge on Rivière Nabissippi	8.18
	00138-13-030-0-00-5	Route 138	Bridge on Rivière Aguanish	7.59
	00138-13-040-0-00-3	Route 138	Bridge on Rivière Île Michon	10.23

is replaced by

Feeder	00138-13-010-000-C	Route 138	Bridge on Rivière Pashashibou	10.21
	00138-13-020-000-C	Route 138	Bridge on Rivière Nabissippi	8.18
	00138-13-030-000-C	Route 138	Bridge on Rivière Aguanus	7.59
	00138-13-040-000-C	Route 138	Bridge on Rivière Île Michon	10.23

BAIE-JOHAN-BEETZ, M (9803500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00138-12-010-0-00-1	Route 138	3.1 km west bridge of Rivière Piashti	18.39

is replaced by

National	00138-12-010-000-C	Route 138	3.1 km west of Baie-Johan-Beetz	18.39
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CHELSEA, M (8202500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00005-01-041-000-8	Autoroute 5	Limit Hull, v	4.22
		12 ramps		2.16
	00005-01-050-000-6	Autoroute 5	Bridge on chemin Scott	8.28
National	00005-01-050-3-01-8-A	1 ramp	Int. aut. 5 Nord (gliss. sec. dr)	0.28
		1 ramp		0.24
	00105-01-050-000-4	Route 105	80 metres north of chemin de la Rivière	5.83
Feeder	25910-01-000-0-00-9	Chemin Old Chelsea	Intersection route 105	1.26
	25910-02-000-0-00-7	Chemin Kingsmère	Bridge on autoroute 5	0.93

is replaced by

Autoroute	00005-01-041-000-S	Autoroute 5	Limit Hull, v	4.22
		12 ramps		4.64
	00005-01-050-000-S	Autoroute 5	Bridge on chemin Scott	8.28
National	00105-01-050-000-C	2 ramps		1.22
		Route 105	80 metres north of chemin de la Rivière	5.83
Feeder	25910-01-000-000-C	1 ramp		0.12
		Chemin Old Chelsea	Intersection route 105	1.05
	25910-01-010-000-S	Chemin Old Chelsea	Beginning separate lanes	0.22
	25910-02-002-000-S	Chemin Kingsmère	Bridge on autoroute 5	0.16
	25910-02-005-000-C	Chemin Kingsmère	End separate lanes	0.78

DOLBEAU, V (9202500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Regional	00373-01-085-000-C	Route 373	Limit Albanel, m	4.51

is replaced by

Regional	00373-01-085-000-C	Route 373	Limit Albanel, m	4.55
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ESCUMINAC, M (0602500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00132-19-090-000-C	Route 132	Limit Nouvelle, m	14.49

is replaced by

National	00132-19-097-000-C	Route 132	Limit Nouvelle, m	14.49
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GATINEAU, V (8101500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00050-01-060-0-00-0	Autoroute 50	North limit pont des Draveurs, Riv. Outaouais	0.99
		4 ramps		1.58
	00050-01-062-0-00-8	Autoroute 50	East right curb (bl. Maloney exit)	3.84
		10 ramps		5.42
	00050-01-070-0-00-8	Autoroute 50	2825 m west of bridge Montée Paiement	8.14
		16 ramps		11.05
	00050-01-080-0-00-6	Autoroute 50	Intersection route 366	6.59
		4 ramps		1.58

is replaced by

Autoroute	00050-01-060-000-S	Autoroute 50	North limit pont des Draveurs Riv. des Outaouais	0.99
		4 ramps		2.78
	00050-01-062-000-S	Autoroute 50	East right curb (blvd Maloney exit)	3.84
		8 ramps		5.80
	00050-01-070-000-S	Autoroute 50	2825 m west of bridge Montée Paiement	8.07
		17 ramps		11.07
	00050-01-080-000-S	Autoroute 50	Bridge on route 366	6.53
		4 ramps		2.94
National	00148-03-072-000-5	Route 148	End left island exit Maloney	0.86
		1 ramp		0.20

HAVRE-SAINT-PIERRE, M (9804000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00138-11-110-0-00-2	Route 138	12 m east of access road to mine à Marleau	22.40

is replaced by

National	00138-11-110-000-C	Route 138	12 m east of access road to mine à Marleau	22.38
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HULL, V (8102000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Autoroute	00005-01-023-000-0	Autoroute 5	North limit bridge on Rivière des Outaouais	1.43
		7 ramps		3.01
	00005-01-025-0-00-8	Autoroute 5	Bridge on autoroute 50	2.84
		14 ramps		3.81
	00005-01-033-0-00-8	Autoroute 5	Bridge on route 105	3.50
		4 ramps		2.01
	00050-01-040-0-00-5	Autoroute 50	562 metres north of rue Montcalm	0.70
		5 ramps		1.74
	00050-01-050-0-00-2	Autoroute 50	Bridge on autoroute 5	2.21
		7 ramps		4.30
National	25676-02-000-0-00-4	Laramée-McConnell	Limit Aylmer, v	2.23

is replaced by

Autoroute	00005-01-023-000-S	Autoroute 5	North limit bridge on Rivière des Outaouais	1.43
		10 ramps		4.01
	00005-01-024-000-S	Autoroute 5	Bridge on autoroute 50	1.23
		5 ramps		1.63
	00005-01-026-000-S	Autoroute 5	Bridge on route 148	1.61
		9 ramps		3.78
	00005-01-033-000-S	Autoroute 5	Bridge on route 105	3.50
		4 ramps		2.90
	00050-01-040-000-S	Autoroute 50	562 metres north of rue Montcalm	0.70
		5 ramps		2.45
	00050-01-052-000-S	Autoroute 50	Bridge on autoroute 5	0.99
		7 ramps		4.83
	00050-01-054-000-S	Autoroute 50	Bridge outlet Lac Leamy	1.22
National	00148-03-036-000-S	Route 148	Limit Aylmer, v	2.24

L'ISLE-AUX-ALLUMETTES-PARTIE-EST, CT (8407500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00148-01-021-0-00-0	Route 148	East limit bridge on Rivière des Outaouais	2.22
	00148-01-050-0-00-4	Route 148	Transition separate lanes to contiguous lanes	0.62
Feeder	23963-05-000-0-00-1	Chemin Chapeau- Pembroke	Limit L'Isle-aux-Allumettes, ct	4.06
		1 ramp		0.51

is replaced by

L'ISLE-AUX-ALLUMETTES-PARTIE-EST, CT (8407500)

National	00148-01-022-000-C	Route 148	East limit of bridge on Rivière des Outaouais	2.86
Feeder	23963-05-000-000-C	Chemin Chapeau- Pembroke 1 ramp	Limit L'Isle-aux-Allumettes, ct	4.06 0.44

LA PÊCHE, M (8203500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00105-01-080-0-00-8	Route 105 1 ramp	Intersection route 366 west	3.18 0.13
	00105-01-110-0-00-2	Route 105 1 ramp	Intersection route 366 east	3.91 0.14
Feeder	00361-01-070-0-00-8	Route 366	Intersection chemin Saint-Louis	14.37
	00366-01-120-0-00-8	Route 366	North intersection route 105	9.67

is replaced by

National	00105-01-082-000-C	Route 105	Intersection route 366 west	0.17
	00105-01-084-000-S	Route 105 1 ramp	Beginning separate lanes	2.39 0.23
	00105-01-086-000-C	Route 105	Intersection chemin McClaren	0.99
	00105-01-110-000-C	Route 105 1 ramp	Intersection route 366 east	3.91 0.21
Feeder	00366-01-070-000-C	Route 366	Intersection chemin Saint-Louis	14.37
	00366-01-120-000-C	Route 366 1 ramp	Intersection route 105	9.67 0.10

NATASHQUAN, CT (9802500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00138-13-050-0-00-0	Route 138	Limit Aguanish, m	10.35

is replaced by

National	00138-13-050-000-C	Route 138	Limit Aguanish, m	10.35
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POINTE-FORTUNE, M (7114000)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Feeder	00342-01-010-0-00-2	Route 342	Intersection montée Pointe-Fortune	0.14

is replaced by

Feeder	00342-01-010-000-C	Route 342	Intersection rue Olivier-Guimond	0.36
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SAINT-MÉTHODE, M (9104500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
National	00169-02-110-0-00-6	Route 169	Limit Dolbeau, V	10.62
	00169-02-120-0-00-4	Route 169	Intersection Sixième rang Sud	3.63
	00169-02-130-0-00-2	Route 169	Intersection route 373	8.45
Regional	00373-01-010-0-00-7	Route 373	Intersection route 169	7.50

is replaced by

SAINT-FÉLICIEN, V (9104200)

Feeder	00169-02-110-000-C	Route 169	Limit Dolbeau, v	10.62
	00169-02-120-000-C	Route 169	Intersection Sixième rang Sud	3.63
	00169-02-130-000-C	Route 169	Intersection route 373	8.45
Regional	00373-01-010-000-C	Route 373	Intersection route 169	7.50

SAINTE-IRÈNE, P (0704000)

Route class	Section identification	Name	Length Beginning of maintenance	in km
Feeder	95620-01-000-0-00-9	Route Amqui to Sainte-Irène	Bridge on ruisseau Pelletier	7.29
	95490-02-000-0-00-5	Route Val d'Irène	26 m west of ruisseau à Personne	3.74

is replaced by

Feeder	95620-01-020-000-C	Route Amqui to Sainte-Irène	Intersection route de l'Église	7.29
	95680-01-020-000-C	Route Val d'Irène	26 m west of ruisseau à Personne	3.74

VALLÉE-JONCTION, M (2601500)

Route class	Section identification	Name	Beginning of maintenance	Length in km
Regional	00173-01-260-0-00-8	Route 173	90 metres north of inters. route 112	2.39

is replaced by

Regional	00173-01-255-000-C	Route 173	90 m north of inters. route 112	2.39
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CHANGES IN WIDTH OF RIGHT-OF-WAY:**LAC-AU-SAUMON, VL (0706000)**

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-20-080-000-C	Route 132	Gilbert Bérubé, l.s.	5594	1005-50	7.52

LAROUCHE, P (9408000)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00170-01-341-000-C	Route 170	Donald Martel, l.s.	297	622-89-BO-017	13.39

PERCÉ, V (0200500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-17-050-000-C	Route 132	Christian Roy, l.s.	4269	—	15.15

POHÉNÉGAMOOK, V (1309500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00289-02-010-000-C	Route 289	Gilles Gagné, l.s.	254	622-89-AO-038	10.49

SAINT-CYPRIEN, M (1200500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00293-01-020-000-C	Route 293	Gilles Gagné, l.s.	255	622-96-AO-028	11.93

SAINTE-FLORENCE, M (0701000)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-20-040-000-C	Route 132	Michel Brisson, l.s.	1269	622-94-AO-026	4.44

SAINTE-GERMAINE-DE-L'ANSE-AUX-GASCONS, P (0204500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-18-015-000-C	Route 132	Gilles Gagné, l.s.	256	622-96-AO-034	10.11

SAYABEC, M (0708500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-20-191-000-C	Route 132	Gilbert Bérubé, l.s.	5480	1304-05	6.28

VALLÉE-JONCTION, M (2601500)

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00173-01-255-000-C	Route 173	Michel Roberge, l.s.	6737	622-91-DO-063	2.39

ALTERATIONS OF LAYOUT:**ESCUMINAC, M (0602500)**

Section identification	Name	Name of land surveyor	Minute number	Plan number	Length in km
00132-19-097-000-C	Route 132	Gilles Gagné, l.s.	050 and 245	622-89-AO-002	14.49

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Abbreviations: **A**: Abrogated, **N**: New, **M**: Modified

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Conservation and development of wildlife, An Act respecting the... — Aquaculture and the sale of fish (R.S.Q., c. C-61.1)	2477	M
Definition of “resident in Québec” (Education Act, R.S.Q., c. I-13.3)	2519	Draft
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