

Service must contact the other Control Area to determine the general availability of the operating procedure.

(4) If the System Impact Study indicates that Network Upgrades or Direct Assignment Facilities are needed to supply the applicant's Application for service, the procedures will be the same as those used by Hydro-Québec for its own system expansion. The least cost transmission expansion plan including, but not limited to, present value cost, losses, environmental aspects, reliability, will be developed for consideration by Hydro-Québec. Based on the study results, the Transmission Customer can decide whether to proceed, modify or cancel its request.

(5) Immediately upon receipt of a Facilities Study agreement, Hydro-Québec performs a more precise engineering estimate of the costs of the Network Upgrades and Direct Assignment Facilities.

2. Guidelines and principles followed by Hydro-Québec - Hydro-Québec is a member of NPCC. When performing a System Impact Study, Hydro-Québec applies the following rules, as amended and/or adopted from time to time:

- (a) Good Utility Practice;
- (b) NPCC criteria and guidelines; and
- (c) Hydro-Québec's criteria and rules.

3. Transmission System model representation - Hydro-Québec estimates Total Transfer Capability (TTC) using Transmission System models based on a library of loadflow cases prepared by Hydro-Québec for studies of the Hydro-Québec Control Area. The models may include representations of other NPCC and neighboring systems. This library of loadflow cases is maintained and updated as appropriate by Hydro-Québec and NPCC. Hydro-Québec uses system models that it deems appropriate for study of the Application for Transmission Service. Additional system models and operating conditions, including assumptions specific to a particular analysis, may be developed for conditions not available in the library of loadflow cases. The system models may be modified, if necessary, to include additional system information on load, transfers and configuration, as it becomes available.

4. System conditions - The loading on all Transmission System elements must be within normal ratings for pre-contingency conditions and within emergency conditions for post-contingency conditions. Transmission System voltage must be within the applicable normal and emergency limits for pre- and post-contingency conditions respectively.

5. Short circuit - Transmission System short-circuit currents must be within the applicable equipment design ratings.

6. Loss evaluation - The impact of losses on Hydro-Québec's Transmission System is taken into account in the System Impact Study to ensure Good Utility Practice in the evaluation of the costs to meet the Application for Transmission Service.

7. System protection - Protection requirements are evaluated by Hydro-Québec to determine the impact on existing system protection.

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O.C. 1631-96, 18 December 1996

Taxation Act
(R.S.Q., c. I-3)

Regulation — Amendment

Regulation to amend the Regulation respecting the Taxation Act

WHEREAS under subparagraph *f* of the first paragraph of section 1086 of the Taxation Act (R.S.Q., c. I-3), the Government may make regulations to generally prescribe the measures required for the application of that Act;

WHEREAS the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1) was made under that Act;

WHEREAS it is expedient to amend that Regulation, primarily in order to implement fiscal measures announced on 19 December 1990, 14 May 1992, 24 November 1992 and 20 May 1993 by the Minister of Finance in Budget Speeches and Minister's Statements, and announced by him on 10 February 1989, 7 July 1992 and 31 March 1994 in information bulletins;

WHEREAS the legislative amendments required to implement those announcements were made to the Taxation Act by Chapter 16 of the Statutes of 1993 and Chapter 22 of the Statutes of 1994;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made notwithstanding the publication requirement of section 8 of that Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

WHEREAS under section 18 of that Act, a regulation may come into force on the date of its publication in the *Gazette officielle du Québec* where the authority that has made it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established, amended or repealed by the Regulation warrants the absence of prior publication and such coming into force;

WHEREAS section 27 of the Regulations Act does not prevent a regulation from taking effect before the date of its publication in the *Gazette officielle du Québec*, where the Act under which it is made expressly provides therefor;

WHEREAS under the second paragraph of section 1086 of the Taxation Act, the regulations made under that Act may, once published and if they so provide, apply to a period prior to their publication but not prior to the 1972 taxation year;

IT IS ORDERED, therefore, on the recommendation of the Minister of State for the Economy and Finance and the Minister for Revenue:

THAT the Regulation to amend the Regulation respecting the Taxation Act, attached hereto, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the Taxation Act

Taxation Act
(R.S.Q., c. I-3, s. 1086, 1st par., subpar. f)

1. 1. The Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1), amended by the Regulations made by Orders in Council 3211-81 dated 25 November 1981 (Suppl., p. 767), 3438-81 dated 9 December 1981 (Suppl., p. 789), 144-82 dated 20 January 1982 (Suppl., p. 790), 1544-82 dated 23 June 1982 (Suppl., p. 792), 2823-82 dated 1 December 1982, 2962-82 dated 15 December 1982, 227-83 dated 9 February 1983, 500-83 dated 17 March 1983, 2486-83 dated 30 November 1983, 2727-84 dated 12 December 1984, 2847-84 dated 19 December 1984, 491-85 dated 13 March 1985, 2508-85 dated 27 November 1985, 2509-85 dated 27 November 1985, 2583-85 dated 4 December 1985, 544-86 dated 23 April 1986, 1239-86 dated 13 August 1986, 1811-86 dated 3 December 1986, 1812-86 dated 3 December 1986, 7-87 dated 7 January 1987, 1472-87

dated 23 September 1987, 1875-87 dated 9 December 1987, 421-88 dated 23 March 1988, 615-88 dated 27 April 1988, 838-88 dated 1 June 1988, 1076-88 dated 6 July 1988, 1549-88 dated 12 October 1988, 1745-88 dated 23 November 1988, 1746-88 dated 23 November 1988, 1747-88 dated 23 November 1988, 1819-88 dated 7 December 1988, 1038-89 dated 28 June 1989, 1344-89 dated 16 August 1989, 1764-89 dated 15 November 1989, 140-90 dated 7 February 1990, 223-90 dated 21 February 1990, 291-90 dated 7 March 1990, 1666-90 dated 28 November 1990, 1797-90 dated 19 December 1990, 143-91 dated 6 February 1991, 538-91 dated 17 April 1991, 1025-91 dated 17 July 1991, 1232-91 dated 4 September 1991, 1471-91 dated 23 October 1991, 1589-91 dated 20 November 1991, 1114-92 dated 29 July 1992, 1697-92 dated 25 November 1992, 208-93 dated 17 February 1993, 868-93 dated 16 June 1993, 1114-93 dated 11 August 1993, 1539-93 dated 3 November 1993, 1646-93 dated 24 November 1993, 91-94 dated 10 January 1994, 366-94 dated 16 March 1994, 849-94 dated 8 June 1994, 1660-94 dated 24 November 1994, 1691-94 dated 30 November 1994, 473-95 dated 5 April 1995, 522-95 dated 12 April 1995, 1562-95 dated 29 November 1995, 35-96 dated 10 January 1996, 67-96 dated 16 January 1996 and 523-96 dated 1 May 1996, is further amended, in section 130R2,

(1) by substituting the following for paragraph *f* of subsection 1:

“(f) “television commercial message” has the meaning assigned to it by subsection 2 of section 1104 of the Regulations made under the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th suppl.);”;

(2) by substituting the words “a délivré un certificat” for the words “a émis un certificat” in the French version of subparagraph *i* of paragraph *o* of subsection 1;

(3) by substituting the words “a rendu une décision” for the words “a émis une décision” and by substituting the words “ou a délivré un certificat” for the words “ou un certificat” in the French version of paragraph *q* of subsection 1;

(4) by substituting the following for the part of subsection 3 preceding paragraph *a*:

“(3) For the purposes of Class 10 in Schedule B:”;

(5) by substituting the following for the part of subsection 4 preceding paragraph *a*:

“(4) For the purposes of sections 130R38 to 130R41, 130R65, 130R66 and 130R90 to 130R91.2 and Classes 12 and 28 in Schedule B:”;

(6) by substituting the following for the part of subsection 5 preceding paragraph *a*:

“(5) For the purposes of sections 130R38 to 130R41 and 130R90 to 130R91.2 and Classes 10 and 28 in Schedule B, income from a mine includes income reasonably attributable to:”;

(7) by substituting the following for paragraph *c* of subsection 5:

“(c) the transportation of ore contemplated in subparagraph *i*, *ii* or *iii* of paragraph *a* that has been processed by the taxpayer to any stage that is not beyond the stage mentioned in that subparagraph *i*, *ii* or *iii*, to the extent that such transportation is effected through the use of property of the taxpayer that is included in Class 10 in Schedule B under paragraph *m* of subsection 2 of that Class or that would be so included if that paragraph *m* were read with the words “property included in Class 28 or” being disregarded and if clause *i* of subparagraph *b* of the first paragraph of Class 41 of that Schedule were read with the reference therein to that paragraph *m* being disregarded.”;

(8) by substituting the following for the part of subsection 7 preceding paragraph *a*:

“(7) For the purposes of Class 29 in Schedule B, “manufacturing or processing” does not include:”; and

(9) by substituting the words “la date de sa délivrance” for the words “la date de son émission” in the French version of paragraphs *b* and *b.01* of subsection 8.

2. Paragraph 1 of subsection 1 has effect from 9 January 1987.

3. Paragraphs 4, 6 and 8 of subsection 1 apply in respect of a property acquired after 25 February 1992.

4. Paragraphs 5 and 7 of subsection 1 apply from the 1988 taxation year.

2. 1. Section 130R6 is amended

(1) by substituting a semicolon for the period at the end of paragraph *z.1*; and

(2) by adding the following after paragraph *z.1*:

“(z.2) Class 42: 12 % ;

(z.3) Class 43: 30 % ;

(z.4) Class 44: 25 % .”.

2. Paragraph 1 of subsection 1 and paragraph 2 of that subsection 1, where it makes paragraph *z.2* of section 130R6 of the Regulation, apply in respect of a property acquired in a taxation year ending after 23 December 1991.

3. Paragraph 2 of subsection 1, where it makes paragraph *z.3* of section 130R6 of the Regulation, applies in respect of a property acquired after 25 February 1992.

4. Paragraph 2 of subsection 1, where it makes paragraph *z.4* of section 130R6 of the Regulation, applies in respect of a property acquired after 26 April 1993.

3. 1. The following is substituted for section 130R7:

“**130R7.** Where the taxpayer’s taxation year is less than 12 months, the amount allowed as a deduction under this Title, other than under sections 130R23, 130R25 to 130R28, 130R38 to 130R39.2, 130R55.3.1 and 130R105 to 130R117, shall not exceed the proportion of the maximum amount allowable represented by the ratio between the number of days in the taxation year and 365.”.

2. Subsection 1 applies from the 1986 taxation year.

4. 1. The following is inserted after section 130R13:

“**130R13.1.** For the purposes of this Division, the capital cost to a taxpayer of a property is deemed to have been incurred at the time when the property became available for use by the taxpayer for the purposes of the Act.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

5. 1. The following is substituted for the second paragraph of section 130R15:

“Notwithstanding the foregoing, where the part of the capital cost contemplated in section 130R13, other than the part of the capital cost of a property contemplated in subparagraph *b*, *c* or *d* of the second paragraph of section 130R55.7, is incurred after 12 November 1981, the proportion of that part is equal, for the taxation year during which it is incurred, to 50 % of the amount that would be determined in its respect under the first paragraph.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

6. 1. The following is inserted after section 130R21:

130R21.1. Where a taxpayer acquires a property that, if it were acquired by a person with whom he does not deal at arm's length at the time of the acquisition, would be a leasehold interest contemplated in section 130R21 for that person, a reference in Schedule B to a property that is a building or other structure includes that property.

130R21.2. Where a taxpayer acquires a property that, if it were acquired by a person with whom the taxpayer does not deal at arm's length at the time of the acquisition, would be a leasehold interest of that person, a reference in this Division to a leasehold interest includes, in respect of the taxpayer, that property, and the terms and conditions of the leasehold interest in that property for the taxpayer are deemed to be the same as those that would have applied to that person if he had acquired the property.”.

2. Subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

7. 1. The following is inserted after section 130R24:

130R24.1. Where the capital cost to a taxpayer of a property that is a patent or a right to use patented information is determined in whole or in part by reference to the use of the property and that property is included in Class 44 in Schedule B, in lieu of the amount provided for in section 130R3, the taxpayer may deduct for a taxation year in respect of the property of that Class an amount not exceeding the lesser of:

(a) the aggregate of:

i. the part of the capital cost that is determined by reference to the use of the property in the year; and

ii. the amount that would be deductible for the year under section 130R3 in respect of property of that Class if the capital cost thereof did not include the amounts determined under subparagraph i for the year and preceding taxation years; and

(b) the undepreciated capital cost to the taxpayer as of the end of the year, before any deduction under this section for the year, of property of that Class.”.

2. Subsection 1 applies in respect of a property acquired after 26 April 1993.

8. 1. The following is substituted for section 130R29:

130R29. In this Division:

“designated property” means a property deemed to be such under section 130R55.12, a property of the class acquired by the taxpayer before 13 November 1981 or a property contemplated in subparagraph *b*, *c* or *d* of the second paragraph of section 130R55.7;

“specified transaction” means a transaction in respect of which section 527, 544, 556, 617, 620 or 626 of the Act applies.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

9. 1. The following is inserted after section 130R29:

130R29.1. For the purposes of this Division, a property is deemed, subject to subparagraph *c* of the first paragraph of section 130R55.12, to have been acquired by a taxpayer at the time when the property became available for use by the taxpayer according to the Act.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

10. 1. The following is substituted for section 130R34:

130R34. A taxpayer may deduct the amount provided for in section 130R35 in respect of a property that consists of:

(a) a vessel contemplated in section 130R86;

(b) a property included in a separate prescribed class by reason of section 104R10; or

(c) a property constituted as a class under subsection 2 of section 24 of Chapter 91 of the Statutes of Canada, 1966-1967.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989. Notwithstanding the foregoing, where paragraph *a* of section 130R34 of the Regulation, made by that subsection 1, applies in respect of a property acquired before 14 July 1990, it shall be read as follows:

“(a) a vessel certified or recognized by the Minister as provided for by section 130R86;”.

11. 1. Section 130R35 is amended

(1) by substituting the following for paragraph *a*:

“(a) in the case of a property, other than a property contemplated in subparagraph *b*, *c* or *d* of the second paragraph of section 130R55.7, acquired during the taxation year and after 12 November 1981, 16²/₃ % of the capital cost of the property to the taxpayer and, in all other cases, 33¹/₃ % of that capital cost; or”; and

(2) by adding the following paragraph:

“For the purposes of subparagraph *a* of the first paragraph, a property is deemed to have been acquired by a taxpayer at the time when the property became available for use by the taxpayer according to the Act.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

12. 1. Section 130R42.1 is amended, in subparagraph *b* of the first paragraph,

(1) by substituting the following for clause *iii*:

“iii. a motor vehicle that is designed or adapted primarily to carry individuals on public highways and streets and that has a seating capacity for not more than the driver and eight passengers, or a motor vehicle of a type commonly called a van or pick-up truck, or a similar vehicle;”; and

(2) by substituting the following for clause *viii*:

“viii. a property that is included in Class 35 in Schedule B.”.

2. Paragraph 1 of subsection 1 applies to a taxation year or a fiscal period commencing after 17 June 1987 and ending after 31 December 1987.

3. Paragraph 2 of subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

13. 1. The following is substituted for section 130R54:

“**130R54.** Notwithstanding section 130R51, a property acquired by a taxpayer or a partnership that is a “replacement property” contemplated in section 96 of the Act and that would otherwise be a leasing property of the taxpayer or partnership is deemed not to be such a property, if the replaced property contemplated in that

section 96 was, by reason of this section or section 130R52 or 130R53, not such a property immediately before it was disposed of by the taxpayer or partnership.”.

2. Subsection 1 applies from the 1986 taxation year.

14. 1. The following is inserted after section 130R55.0.1:

“**130R55.0.2.** A taxpayer that, throughout the taxation year, is a common carrier owning and operating a railway may deduct, as additional allowance in respect of property for which a separate class is prescribed by section 130R95.1, 130R96.1 or 130R97.0.1, an amount not exceeding 3 % , 6 % or 5 % , respectively, of the undepreciated capital cost to him of property of that class at the end of the taxation year, before any deduction under section 130R3 and this section for the year.”.

2. Subsection 1 applies in respect of a property acquired after 6 December 1991.

15. 1. Section 130R55.7 is amended

(1) by substituting a semicolon for the period at the end of subparagraph *c* of the second paragraph; and

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

“(d) a property that is considered to be available for use by the taxpayer by reason of subparagraph *b* of the first paragraph of section 93.7 of the Act or subparagraph *c* of the first paragraph of section 93.8 of that Act.”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

16. 1. Section 130R55.8 is amended by substituting the following for paragraph *a*:

“(a) of any amount added, in respect of a property that is neither a property contemplated in paragraph *q* or *r* of subsection 2 of Class 10 in Schedule B, in subparagraph *a* to *c*, *e* to *i*, *k*, *l*, *p* or *q* of the first paragraph of Class 12 in that Schedule or in the third paragraph of that Class 12, nor a property to which subparagraph *b* of the second paragraph of section 130R3 applies for the year, to the undepreciated capital cost to the taxpayer of property of the class either under subparagraph *i* of paragraph *e* of section 93 of the Act in respect of a property acquired during the year or that became available for use by the taxpayer in the year, or under subparagraph *ii.1* or *ii.2* of that paragraph *e* in respect of an amount repaid during the year; over”.

2. Subsection 1 applies in respect of a property acquired after 31 December 1989.

17. 1. Section 130R55.12 is amended

(1) by substituting the following for paragraphs *c* and *d*:

“(c) if the property is included in a class in respect of which paragraph *b* of section 130R30 applies, the following rules apply:

i. the property is deemed to be a designated property of the class; and

ii. for the purposes of computing the amount determined under section 130R30.2 for any taxation year of the taxpayer ending after the time the property was actually acquired by him, the property is deemed, other than for the purposes of determining the period contemplated in section 130R55.11 during which a person from whom the taxpayer acquired the property, referred to as the “last transferor” in this section, owned the property before it was acquired by the taxpayer, and subject to the third paragraph, to have been acquired by the taxpayer immediately after the commencement of his first taxation year that commenced at the time that is the earlier of:

(1) the time when the property was last acquired by the last transferor; and

(2) where the property was transferred in a series of transfers to which section 130R55.11 and this section apply, the time when the property was last acquired by the first taxpayer, referred to as the “first transferor” in this section, having transferred the property in that series;

(d) if the property is contemplated in section 130R34, subparagraph *a* of the first paragraph of section 130R35 shall be read as follows in respect of that property:

“(a) $33\frac{1}{3}$ % of the capital cost of the property to the taxpayer;” and

(2) by adding the following paragraph:

“For the purposes of clause ii of subparagraph *c* of the first paragraph, where the taxpayer is a corporation incorporated after the end of the first or the last transferor’s taxation year, as the case may be, during which the transferor last acquired the property, the following rules apply:

(1) the taxpayer is deemed to have been in existence throughout the period commencing immediately before

the end of that year and ending immediately after the time when it was so incorporated;

(2) the taxpayer’s fiscal periods, throughout the period described in subparagraph 1, are deemed to have ended on the day of the year on which its first fiscal period ended.

Clause *ii* of subparagraph *c* of the first paragraph does not apply where the property was acquired by the taxpayer before the end of the first or the last transferor’s taxation year, as the case may be, that includes the time when the transferor acquired the property.”

2. Paragraph 1 of subsection 1, where it makes paragraph *c* of section 130R55.12 of the Regulation, and paragraph 2 of that subsection 1 apply in respect of a property acquired after 31 December 1987.

3. Paragraph 1 of subsection 1, where it makes paragraph *d* of section 130R55.12 of the Regulation, applies in respect of a property acquired after 31 December 1989.

18. 1. The following is substituted for section 130R55.13:

“**130R55.13.** A taxpayer who disposes of a property in any of the circumstances mentioned in section 130R55.11 shall not include any amount under paragraph *b* of section 130R55.8 in respect of that disposition if paragraph *a* of the first paragraph of section 130R55.12 applied in respect of the property for the purchaser.”

2. Subsection 1 applies in respect of a property acquired after 31 December 1987.

19. 1. The following is inserted after section 130R55.14:

“**130R55.15.** Where in a particular taxation year a taxpayer disposes of a property included in Class 10.1 in Schedule B that was owned by him at the end of the preceding taxation year, the following rules apply:

(a) the amount that he may deduct in computing his income for the year under section 130R1 in respect of the property shall be computed as if the property had not been disposed of in the particular year and as if the number of days in the particular year were one-half of the number of days in the particular year otherwise determined; and

(b) no amount may be deducted in computing his income under section 130R1 in respect of the property for any subsequent taxation year.”

2. Subsection 1 applies to a taxation year or a fiscal period commencing after 17 June 1987 and ending after 31 December 1987.

20. 1. The following is inserted after section 130R58.1:

“**130R58.2.** A taxpayer may elect not to include a property in Class 44 in Schedule B, where he so elects, in a letter attached to his fiscal return for the taxation year during which he acquires the property, on or before the last day on which he may file that return in accordance with section 1000 of the Act.”.

2. Subsection 1 applies in respect of a property acquired after 26 April 1993. Notwithstanding the foregoing, an election contemplated in section 130R58.2 of the Regulation, made by subsection 1, and that is effected by notifying the Minister of Revenue in writing no later than six months after the end of the month during which this Regulation is published in the *Gazette officielle du Québec* is deemed to have been made in accordance with that section.

21. 1. The following is inserted after section 130R64.1:

“DIVISION 1.2

TRANSFER OF PROPERTY TO CLASS 8 OR 10

130R64.2. For the purposes of this Title and Schedule B, where property of a taxpayer is included in a separate class by reason of an election made by him in accordance with section 130R98.9, the property included in that class immediately after the beginning of the taxpayer’s fifth taxation year commencing after the end of the first taxation year during which a property of that class became available for use by the taxpayer for the purposes of section 93.6 of the Act shall be transferred immediately after the beginning of that fifth taxation year from the separate class to the class in which it would have been included but for that election.”.

2. Subsection 1 applies in respect of a property acquired after 26 April 1993.

22. 1. Section 130R86 is amended

(1) by substituting the following for the part preceding paragraph *a*:

“**130R86.** A separate class is hereby prescribed for each vessel of a taxpayer, including the furniture, fittings, radiocommunication equipment and other equipment attached thereto, where the vessel:”; and

(2) by deleting the word “et” at the end of paragraph *b* in the French version.

2. Subsection 1 applies in respect of a property acquired after 13 July 1990.

23. 1. The following is inserted after section 130R95:

“**130R95.1.** A separate class is hereby prescribed for all property included in Class 35 in Schedule B that is acquired after 6 December 1991 by a taxpayer that at the time of the acquisition is a common carrier owning and operating a railway.”.

2. Subsection 1 applies in respect of a property acquired after 6 December 1991.

24. 1. The following is inserted after section 130R96:

“**130R96.1.** A separate class is hereby prescribed for all property included in Class 1 in Schedule B acquired after 6 December 1991 by a taxpayer that at the time of the acquisition is a common carrier owning and operating a railway, where that property is:

(a) railway track and grading, including components such as rails, ballast, ties and other track material;

(b) a bridge, culvert, subway or tunnel that is ancillary to railway track and grading; or

(c) railway traffic control or signalling equipment, including switching, block signalling, interlocking, crossing protection, detection, speed control or retarding equipment, but not including property that is principally electronic equipment or systems software therefor.”.

2. Subsection 1 applies in respect of a property acquired after 6 December 1991.

25. 1. The following is inserted after section 130R97:

“**130R97.0.1.** A separate class is hereby prescribed for all property included in Class 3 in Schedule B that is acquired after 6 December 1991 by a taxpayer that at the time of the acquisition is a common carrier owning and operating a railway, where that property is trestles ancillary to railway track and grading.”.

2. Subsection 1 applies in respect of a property acquired after 6 December 1991.

26. 1. The following is inserted after section 130R98.8:

“**130R98.9.** A separate class is hereby prescribed for the property of a taxpayer acquired in a taxation year and included, in that year, in Class 8 in Schedule B, or for the property acquired in a taxation year and included, in that year, in Class 10 in that Schedule, in respect of which the taxpayer has elected, by means of a letter attached to his fiscal return for that taxation year filed in accordance with sections 1000 to 1003 of the Act, to apply this section, where each of the properties has a capital cost to the taxpayer of at least \$1 000 and is:

(a) general-purpose electronic data processing equipment and systems software therefor, including ancillary data processing equipment, included in Class 10 in Schedule B under paragraph *g* of subsection 1 of that Class;

(b) computer software;

(c) a photocopier; or

(d) office equipment that is electronic communications equipment, such as a facsimile transmission device or telephone equipment.”.

2. Subsection 1 applies in respect of a property acquired after 26 April 1993. Notwithstanding the foregoing, an election contemplated in section 130R98.9 of the Regulation, made by subsection 1, and effected by notifying the Minister of Revenue in writing no later than six months after the end of the month during which this Regulation is published in the *Gazette officielle du Québec* is deemed to have been made in accordance with that section.

27. 1. Section 130R101 is amended

(1) by substituting a semicolon for the period at the end of paragraph *i*; and

(2) by adding the following after paragraph *i*:

“(j) that is linefill in a pipeline.”.

2. Subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

28. 1. The following is inserted after section 152R8:

“**152R8.1.** An insurer may deduct, in respect of a guarantee fund provided for under an agreement in writ-

ing between the insurer and Her Majesty in right of Canada under which Her Majesty has agreed to guarantee the obligations of the insurer under a policy that insures a risk related to a financial loss of a lender in respect of a loan made on the security of real property, an amount not exceeding the balance of the guarantee fund at the end of the year.”.

2. Subsection 1 applies to a taxation year ending after 31 December 1990.

29. 1. The following is inserted after paragraph *n* of section 192R1:

“(n.1) Canada Post Corporation;”.

2. Subsection 1 has effect from 27 March 1994.

30. 1. The following is inserted before Chapter II.1 of Title XIV:

“**CHAPTER II.0.2**
PRESCRIBED LEGISLATIVE PROVISIONS

“**339R4.** For the purposes of paragraphs *d.0.2* to *d.0.4* of section 339 of the Act, subsection 7 of section 39 and subsection 8 of section 42 of the Public Service Superannuation Act (Revised Statutes of Canada (1985), c. P-36) and subsection 6 of section 24 of the Royal Canadian Mounted Police Superannuation Act (Revised Statutes of Canada (1985), c. R-11) are prescribed legislative provisions.”.

2. Subsection 1 applies from the 1990 taxation year. Notwithstanding the foregoing, where section 339R4 of the Regulation respecting the Taxation Act, made by subsection 1, applies to the 1990 taxation year, it shall be read with “*d.0.2* and *d.0.4*” being substituted for “*d.0.2* to *d.0.4*”.

31. The following is substituted for subparagraph *i* of paragraph *a* of the definition of “excluded obligation” in section 359.1R1:

“i. eligibility for, or the amount of, any assistance under the Canadian Exploration and Development Incentive Program Act (Revised Statutes of Canada (1985), c. 15, 3rd suppl.), the Canadian Exploration Incentive Program Act (Revised Statutes of Canada (1985), c. 27, 4th suppl.), the Ontario Mineral Exploration Program Act, 1989 (S.O., 1989, c. 40) or the Mineral Exploration Incentive Program Act (Manitoba) (S.M., 1990-1991, c. 45); or”.

2. Subsection 1 applies in respect of a share issued after 29 February 1992.

32. 1. Section 726.14R2 is amended

(1) by substituting the following for the part preceding subparagraph *ii* of paragraph *a*:

“**726.14R2.** For the purposes of section 726.14 of the Act and subject to section 726.14R3, a prescribed share is also a share of the capital stock of a particular corporation, where the share is:

(*a*) a particular share owned by a person and issued by the particular corporation to that person or a spouse or parent of that person as part of an arrangement or, where the person is a trust described in subparagraph *a* of the first paragraph and in the second paragraph of section 653 of the Act, to the person who created the trust or by whose will the trust was created or, where the person is a corporation, to another person owning all of the issued and outstanding shares of the capital stock of the corporation or to a spouse or parent of that other person, and where all of the following conditions are met:

i. the main purpose of the arrangement was to allow any increase in the value of the property of the particular corporation to accrue to other shares that, at the time of their issue, would have been prescribed shares if this Chapter had been read with this section being disregarded;”;

(2) by substituting the following for clauses 4 and 5 of subparagraph *ii* of paragraph *a*:

“(4) employees of the particular corporation or of a corporation controlled by the particular corporation;

(5) any combination of persons each of whom is contemplated in any of clauses 1 to 4;”.

2. Subparagraph 1 applies from the 1985 taxation year. Notwithstanding the foregoing, where subparagraph *i* of paragraph *a* of section 726.14R2 of the Regulation, made by subsection 1, applies to a taxation year ending before 5 May 1994, it shall be read with the words “with this paragraph being disregarded” being substituted for the words “with this section being disregarded”.

33. 1. The following is substituted for paragraph *c* of section 726.14R4:

“(c) where two or more corporations, each of which is referred to in this paragraph as a “predecessor corporation”, merge or amalgamate, the corporation formed as a result of the merger or amalgamation, referred to in this paragraph as the “new corporation”, is deemed to be the same corporation as each of the predecessor corpora-

tions and to continue their corporate existence, and a share of the capital stock of the new corporation issued on the merger or amalgamation as consideration for a share of the capital stock of a predecessor corporation is deemed to be the same share as the share of the predecessor corporation for which it was issued, but this paragraph does not apply where the share issued on the merger or amalgamation is not a prescribed share at the time of its issue and:

i. the terms and conditions of that share differ from those of the share of the predecessor corporation for which it was issued; or

ii. the fair market value of the share at the time of its issue differs from that of the share of the predecessor corporation for which it was issued;”.

2. Subsection 1 applies in respect of a merger or an amalgamation occurring after 31 December 1984.

34. 1. The following is inserted after section 771R8:

“**771R8.1.** Notwithstanding section 771R7, where, in a taxation year, on the one hand, merchandise sold by a corporation is shipped to a country other than Canada in which the corporation has an establishment or is sold to a buyer whose establishment is located in a country other than Canada in which the corporation has an establishment and who instructs the corporation to ship the merchandise to another person and, on the other hand, the corporation is not subject to taxation on its income under the laws of the other country, or its gross revenue derived from the sale of the merchandise is not included in computing the income or profit or other base for income or profits taxation by the other country, by reason of the provisions of any taxing statute of the other country or the operation of any tax treaty or convention between Canada and the other country, the following rules apply:

(*a*) for the purposes of determining the gross revenue derived from the sale, the first and third paragraphs of section 771R8 shall be read, respectively, with the words “where the corporation has no establishment” and the words “in which the corporation has no establishment” being disregarded; and

(*b*) for the purposes of paragraph *b* of section 771R3, section 771R3.1 and the second paragraph of section 771R8, the salaries and wages paid by the corporation in the year to the employees of an establishment located in the other country are deemed to be nil.”.

2. Subsection 1 applies to a taxation year commencing after 31 December 1992. Notwithstanding the foregoing, where the corporation so elects by notifying the

Minister of Revenue in writing on or before the 180th day following the day on which this Regulation is published in the *Gazette officielle du Québec*, it applies to a taxation year ending after 31 December 1991.

35. 1. The following is substituted for paragraph *b* of section 771R26:

“(b) three times the proportion that the number of revenue plane kilometres flown by its aircraft in Québec is of the number of revenue plane kilometres flown by its aircraft in Canada, other than kilometres flown in a province in which it has no establishment.”.

2. Subsection 1 applies to a taxation year commencing after 31 December 1992.

36. 1. The following is substituted for section 958R1:

“**958R1.** An investment contemplated in paragraph *c* of section 958 of the Act at a particular time is any investment contemplated at that time in subsection 1 of section 4900 of the Regulations made under the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th suppl.)”.

2. Subsection 1 has effect from 17 July 1992.

37. 1. The following is inserted after section 961.1.3R1:

“**CHAPTER III.0.1**
REGISTERED RETIREMENT INCOME FUNDS

961.1.5R1. For the purposes of paragraph *c* of section 961.1.5 of the Act, the prescribed amount in respect of an individual for a year in connection with a retirement income fund is:

(a) where the retirement income fund is a qualifying retirement income fund at the beginning of the year, the prescribed amount determined in accordance with subsection 3 of section 7308 of the Regulations made under the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th suppl.), in respect of the individual for the year in connection with a retirement income fund; or

(b) where the retirement income fund is not a qualifying retirement income fund at the beginning of the year, the prescribed amount determined in accordance with subsection 4 of section 7308 of the Regulations made under the Income Tax Act, in respect of the individual for the year in connection with a retirement income fund.

961.1.5R2. For the purposes of this Chapter, a retirement income fund is a qualifying retirement income fund at a particular time if:

(a) the arrangement concerning the fund was entered into before 1 January 1993 and the carrier has not accepted any property as consideration under the fund after 31 December 1992 and no later than the particular time; or

(b) the carrier has not accepted any property as consideration under the fund after 31 December 1992 and no later than the particular time, other than property transferred from a retirement income fund that, immediately before the transfer, was a qualifying retirement income fund.

In this section, “carrier” has the meaning assigned to it by paragraph *b* of section 961.1.5 of the Act.”.

2. Subsection 1 applies from the 1992 taxation year.

38. 1. The following is inserted after section 998R5:

“**998R6.** For the purposes of paragraph *k* of section 998 of the Act, the following are prescribed insurers:

(a) Laurentian Farm Insurance Company Inc.;

(b) Les Clairvoyants Compagnie d’Assurance Générale Inc.; and

(c) Union Québécoise, compagnie d’assurances générales inc.”.

2. Subsection 1 applies from the 1989 taxation year.

39. 1. The following is substituted for subparagraphs *a* and *b* of the second paragraph of section 1015R1.1:

“(a) is represented by the ratio between, on the one hand, the aggregate of the amounts that were deductible under sections 62, 63, 63.1, 64 and 78 of the Act in computing the employee’s income for the preceding taxation year and the amount that would have been deductible in computing his income for the preceding taxation year under section 78.5 of the Act, if that section had been read with “section 62.0.1” being substituted for “section 39.1, 62.0.1 or 492.1”, and, on the other hand, the amount of the commissions received by the employee during that last year; or

(b) is represented by the ratio between, on the one hand, the aggregate of the amounts that, according to the employee’s estimation, will be deductible under sec-

tions 62, 63, 63.1, 64 and 78 of the Act in computing his income for the year and the amount that would be deductible in computing his income for the year under section 78.5 of the Act, if that section were read with “section 62.0.1” being substituted for “section 39.1, 62.0.1 or 492.1” and, on the other hand, the total amount of the commissions that, according to the employee’s estimation, will be received by him during the year.”.

2. Subsection 1 applies from 1 January 1997.

40. 1. Section 1015R2.1 is amended

(1) by substituting a semicolon for the period at the end of paragraph *f*; and

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

“(g) an amount deducted directly from his remuneration by the employer and to which any of paragraphs *a* to *b* of subsection 1 of section 336 of the Act applies, other than a deduction under the Act to facilitate the payment of support (1995, c. 18).”.

2. Subsection 1 has effect from 1 January 1993.

Notwithstanding the foregoing, where paragraph *g* of section 1015R2.1 of the Regulation respecting the Taxation Act, made by subsection 1, applies before 1 December 1995, it shall be read as follows:

“(g) an amount deducted directly from his remuneration by the employer and to which any of paragraphs *a* to *b* of subsection 1 of section 336 of the Act applies.”.

41. 1. Section 1015R12.1 is amended

(1) by substituting the following for the part of the first paragraph preceding subparagraph *a*:

“**1015R12.1.** No amount shall be deducted from a payment made by a person as a benefit of a registered retirement savings plan or under such a plan paid during the lifetime of an individual contemplated in paragraph *a* of the definition of the term “annuitant” provided for in subsection 1 of section 146 of the Income Tax Act (Revised Statutes of Canada (1985), c. 1, 5th suppl.) for whom a retirement income is provided under the plan, if, at the time of payment, the individual certifies in prescribed form to that person that he has entered into an agreement in writing to acquire a dwelling and that:”;

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

“(b.1) he had no owner-occupied dwelling during the period commencing at the beginning of the fourth com-

plete calendar year preceding the time of the payment and ending on the thirty-first day before that time;

(b.2) his spouse, during the period contemplated in subparagraph *b.1*, had no owner-occupied dwelling that was inhabited by the individual while the individual was married to that spouse;”;

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

“For the purposes of the first paragraph, an individual is deemed to have had an owner-occupied dwelling at a particular time if he owned it at that time, jointly with another person or otherwise, and if he used it, at that time, as his principal place of residence.”; and

(4) by substituting the following for the part of the second paragraph preceding subparagraph *a*:

“For the purposes of the first and second paragraphs, the expression “dwelling” means:”.

2. Subsection 1 has effect from 31 January 1996.

42. 1. Class 3 in Schedule B is amended

(1) by substituting the following for paragraph *j*:

“(j) telephone, telegraph or data communication equipment, acquired after 25 May 1976, that is a wire or cable;”;

(2) by substituting a semicolon for the period at the end of paragraph *k*; and

(3) by adding the following after paragraph *k*:

“(l) supporting equipment for a wire or cable contemplated in paragraph *j* or in Class 42, such as a pole, mast, tower, conduit, brace, crossarm, guy or insulator.”.

2. Subsection 1 applies, subject to subsections 3 and 4, in respect of a property acquired by a taxpayer after 23 December 1991, other than a property acquired in accordance with an agreement in writing entered into by the taxpayer on or before that date.

3. Notwithstanding subsection 2 and subject to subsection 4, where the taxpayer contemplated therein so elects by notifying the Minister of Revenue in writing on or before the 180th day following the day on which this Regulation is published in the *Gazette officielle du Québec*, subsection 1 applies in respect of a property acquired after the beginning of his first taxation year ending after 23 December 1991.

4. Paragraph *l* of Class 3 in Schedule B of the Regulation, made by paragraph 3 of subsection 1, shall be read with the words “or in Class 42” being disregarded in respect of property acquired

(a) before 24 December 1991 that is the subject of an election contemplated in subsection 3; or

(b) after 23 December 1991 and before 9 February 1994.

43. The words “corrugated metal” are substituted for the words “corrugated iron” in the part of paragraph *a* preceding subparagraph *i* of Class 6 in Schedule B.

2. Subsection 1 applies from the 1989 taxation year in respect of a property acquired after 31 December 1987.

44. 1. Class 8 in Schedule B is amended

(1) by substituting a semicolon for the period at the end of paragraph *l*; and

(2) by adding the following after paragraph *l*:

“(m) a greenhouse constructed of a rigid frame and a replaceable, flexible plastic cover.”.

2. Subsection 1 applies from the 1989 taxation year in respect of a property acquired after 31 December 1987.

45. 1. Class 10 in Schedule B is amended

(1) by substituting the following for paragraph *d* of subsection 1:

“(d) a trailer, including a trailer designed to be hauled on both highways and railway tracks;”;

(2) by substituting the following for the part of subsection 2 preceding paragraph *a*:

“2. Property, other than property included in Class 41 or property included in Class 43 and described in paragraph *b* of that Class, that would otherwise be included in another class and is:”;

(3) by substituting the following for paragraph *b* of subsection 2:

“(b) contractor’s moveable equipment, including portable camp buildings, acquired for use in a construction business or for lease to another taxpayer for use in his construction business, other than property included in

this Class under paragraph *n*, in a separate class in accordance with section 130R87 or in Class 22 or 38;”;

(4) by substituting the following for paragraph *g* of subsection 2:

“(g) property that was acquired for the purpose of cutting and removing merchantable timber from a timber limit and that will be of no further use to the taxpayer after all the merchantable timber that he is entitled to cut and remove from the limit has been cut and removed, unless he has elected to include another property of this kind in another class;”;

(5) by substituting the word “ralentissement” for the word “retardement” in the French version of subparagraph *ii* of paragraph *m* of subsection 2.

2. Paragraph 1 of subsection 1 applies in respect of a property acquired after 23 December 1991.

3. Paragraph 2 of subsection 1 applies in respect of a property acquired after 25 February 1992.

4. Paragraph 3 of subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

5. Paragraph 4 of subsection 1 applies from the 1986 taxation year.

46. 1. Class 12 in Schedule B is amended

(1) by substituting the words “message publicitaire pour la télévision” for the words “message commercial de télévision” in the French version of subparagraph *m* of the first paragraph; and

(2) by adding the following clause after clause *iii* of subparagraph *b* of the second paragraph:

“iv. in Class 43 under paragraph *a* of that Class; and”.

2. Paragraph 1 of subsection 1 has effect from 9 January 1987.

3. Paragraph 2 of subsection 1 applies in respect of a property acquired after 25 February 1992.

47. 1. Class 13 in Schedule B is amended

(1) by substituting the following for the part preceding paragraph *a*:

“Class 13

Property that is a leasehold interest and property acquired by a taxpayer that, if it were acquired by a person with whom he does not deal at arm's length at the time when he acquires it, would be a leasehold interest of that person, except:”; and

(2) by substituting the following for paragraph *b*:

“(b) the part of the leasehold interest that is included in another class by reason of section 130R21 or 130R21.1;”.

2. Subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property that is acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

48. 1. The following is substituted for paragraph *c* of Class 14 in Schedule B:

“(c) a property that is included in Class 12, 23 or 44; or”.

2. Subsection 1 applies in respect of a property acquired after 26 April 1993.

49. 1. The following is substituted for the first paragraph of Class 15 in Schedule B:

“Property that would otherwise be included in another class in this Schedule and that:

(a) was acquired for the purposes of cutting and removing merchantable timber from a timber limit; and

(b) will be of no further use to the taxpayer after all the merchantable timber that he is entitled to cut and remove from the limit has been cut and removed.”.

2. Subsection 1 applies from the 1986 taxation year.

50. 1. Class 16 in Schedule B is amended

(1) by substituting the following for subsection 3:

“3. Property acquired after 12 November 1981 consisting of a motor vehicle acquired to be leased, for which the duration of the lease anticipated for a single lessee is not to exceed 30 days during a 12-month period and which would be an automobile within the meaning that would be assigned to that expression by section 1 of

the Act, if the definition of that expression provided for in that section 1 were read without paragraph *c*.”; and

(2) by adding the following after subsection 4:

“5. Property acquired after 6 December 1991 consisting of a truck or tractor designed for hauling freight and primarily used for that purpose by the taxpayer, or by a person with whom the taxpayer does not deal at arm's length, in a business that includes hauling freight, and having a “gross vehicle weight rating”, within the meaning of the Motor Vehicle Safety Regulations made under the Motor Vehicle Safety Act (Statutes of Canada, 1993, c. 16), in excess of 11 788 kilograms.”.

2. Paragraph 1 of subsection 1 applies to a taxation year or a fiscal period commencing after 17 June 1987 and ending after 31 December 1987.

3. Paragraph 2 of subsection 1 has effect from 7 December 1991.

51. 1. The words “message publicitaire pour la télévision” are substituted for the words “message commercial de télévision” in the French version of Class 18 in Schedule B.

2. Subsection 1 has effect from 9 January 1987.

52. 1. The following is added after the second paragraph of Class 24 in Schedule B:

“For the purposes of the first and second paragraphs, the following rules apply:

(a) where, after 31 December 1973, there is an amalgamation, within the meaning of subsection 1 of section 544 of the Act, of two or more particular corporations to form a single corporate entity, that entity is deemed to be the same corporation as each of the particular corporations and to continue their corporate existence;

(b) where there is a winding-up, after 31 December 1973, of a corporation in circumstances where sections 556 to 564.1 and 565 of the Act apply to that corporation and to another corporation, the latter corporation is deemed to be the same corporation as the wound-up corporation and to continue its corporate existence; and

(c) this Class shall be read with clause *i* of subparagraph *b* of the first paragraph being disregarded, where subparagraph *a* or *b* applies to the taxpayer and the property is acquired before 1 January 1992.”.

2. Subsection 1 applies from the 1974 taxation year.

53. 1. The following is added after the second paragraph of Class 27 in Schedule B:

“For the purposes of the first and second paragraphs, the following rules apply:

(a) where, after 31 December 1973, there is an amalgamation, within the meaning of subsection 1 of section 544 of the Act, of two or more particular corporations to form a single corporate entity, that entity is deemed to be the same corporation as each of the particular corporations and to continue their corporate existence;

(b) where there is a winding-up, after 31 December 1973, of a corporation in circumstances where sections 556 to 564.1 and 565 of the Act apply to that corporation and to another corporation, the latter corporation is deemed to be the same corporation as the wound-up corporation and to continue its corporate existence; and

(c) this Class shall be read with paragraph *b* of the first paragraph being disregarded, where subparagraph *a* or *b* applies to the taxpayer and the property is acquired before 1 January 1992.”.

2. Subsection 1 applies from the 1974 taxation year.

54. 1. The following is substituted for clauses *i* and *ii* of subparagraph *a* of the first paragraph of Class 28 in Schedule B:

“*i.* came into production in reasonable commercial quantities after 7 November 1969; or

ii. was the subject of a major expansion after 7 November 1969 and:

(1) the expansion made it possible to increase by at least 25 % the greatest designed capacity, measured in metric tons of input of ore, of the mill that processed the ore from the mine in the year following the expansion compared to the year preceding it; or

(2) in a case where, in the year preceding the expansion, no mill processed the ore from the mine or the mill that processed that ore also processed other ore, the Minister was satisfied that the anticipated increase in the greatest designed capacity of the mine immediately after the expansion, measured in metric tons of output of ore, exceeded that capacity immediately before the expansion by at least 25 % ;”.

2. Subsection 1 applies in respect of the expansion of a mine commencing after 18 June 1987.

55. 1. The following is substituted for Class 35 in Schedule B:

“Class 35

(7 %)

Property not included in any other class that is a railway car acquired after 25 May 1976 or a rail suspension device designed to carry trailers that are designed to be hauled on both highways and railway tracks.”.

2. Subsection 1 applies in respect of a property acquired after 23 December 1991, other than a property that is acquired by a taxpayer before 1 January 1993 in accordance with an agreement in writing entered into by the taxpayer before 24 December 1991 or that was under construction by the taxpayer or on his behalf on 23 December 1991.

56. 1. The following is substituted for Class 39 in Schedule B:

“Class 39

Property acquired after 31 December 1987 and before 26 February 1992 that:

(a) is not included in Class 29, but that would otherwise be included in that Class if that Class were read with subparagraph *c* of the first paragraph of that Class being disregarded and with the reference, in subparagraph *b* of that paragraph, to a property that is a powered industrial lift truck or a property described in paragraph *f* or *g* of subsection 1 of Class 10 being disregarded; and

(b) is not included in Class 12 under the second paragraph of that Class.”.

2. Subsection 1 applies in respect of a property acquired after 12 May 1988.

57. 1. The following is substituted for paragraphs *a* and *b* of Class 40 in Schedule B:

“(a) is a powered industrial lift truck or a property described in paragraph *f* or *g* of subsection 1 of Class 10, other than a property included in Class 12 under the second paragraph of that Class; and

(b) is not included in Class 29 but would otherwise be included in that Class if that Class were read with subparagraph *c* of the first paragraph of that Class being disregarded.”.

2. Subsection 1 applies in respect of a property acquired after 12 May 1988.

58. 1. The following is substituted for clause *i* of subparagraph *b* of the first paragraph of Class 41 in Schedule B:

“i. property that would be included in Class 10 under paragraph *h* of subsection 1 or under paragraph *a, d, e, f, k, m, n* or *o* of subsection 2 of that Class, if this subparagraph were disregarded;”.

2. Subsection 1 applies in respect of a property acquired after 25 February 1992.

59. 1. The following is added after Class 41 in Schedule B:

“**Class 42**
(12 %)

Property that is fibre-optic cable.

Class 43
(30 %)

Property acquired after 25 February 1992 that:

(a) meets the following conditions:

i. it is not included in Class 29, but would otherwise be included in that Class if subparagraph *c* of the first paragraph of that Class were disregarded and if the reference, in subparagraph *b* of that paragraph, to a property that is a powered industrial lift truck or a property described in paragraph *f* or *g* of subsection 1 of Class 10 were disregarded; and

ii. it is not included in Class 12 under the second paragraph of that Class; or

(b) is a property that would be included in Class 10 under paragraph *e* of subsection 2 of that Class, if this paragraph and subparagraph *b* of the first paragraph of Class 41 were disregarded, and in respect of which the following conditions are met:

i. it is not property in respect of which the taxpayer has filed with the Minister an election in writing, on or before the day on or before which, in accordance with section 1000 of the Act, he is required to file his fiscal return for the taxation year during which the property was acquired or on or before which he would be required to file that return if he had tax to pay for that year under Part I of the Act, that the property be included in Class 41; and

ii. at the time of its acquisition, can reasonably be expected to be used entirely in Canada and primarily for the purposes of processing ore extracted from a mineral resource located in a country other than Canada.

Class 44
(25 %)

Property that is a patent, or a right to use patented information for a limited or unlimited period, other than a property included in Class 12.”.

2. Subsection 1, where it makes Class 42 in Schedule B to the Regulation, applies in respect of a property acquired by a taxpayer after 23 December 1991, other than a property that is acquired in accordance with an agreement in writing entered into by the taxpayer on or before that date. Notwithstanding the foregoing, where a taxpayer so elects by notifying the Minister of Revenue in writing on or before the 180th day following the day on which this Regulation is published in the *Gazette officielle du Québec*, subsection 1 applies in respect of any property acquired by the taxpayer after 23 December 1991.

3. Subsection 1, where it makes Class 43 in Schedule B to the Regulation, applies in respect of a property acquired after 25 February 1992. Notwithstanding the foregoing, an election contemplated in subparagraph *i* of paragraph *b* of that Class 43 is deemed to have been made in accordance with that subparagraph if it is made by notifying the Minister of Revenue in writing on or before the 180th day following the day on which this Regulation is published in the *Gazette officielle du Québec*.

4. Subsection 1, where it makes Class 44 in Schedule B to this Regulation, applies in respect of a property acquired after 26 April 1993.

60. 1. Schedule C is amended

(1) by inserting the following universities in paragraph *a* in alphabetical order:

“Ambassador University, Big Sandy, Texas.
Associated Mennonite Biblical Seminary, Elkhart, Indiana.
Bluffton College, Bluffton, Ohio.
Clark University, Worcester, Massachusetts.
Columbia Union College, Takoma Park, Maryland.
Detroit College of Law, Detroit, Michigan.
Divinity School, The, Rochester, New York.
Ecumenical Theological Center, Detroit, Michigan.
Emmanuel School of Religion, Johnson City, Tennessee.
Meadville-Lombard Theological School, Chicago, Illinois.
Nebraska Wesleyan University, Lincoln, Nebraska.
Northwestern College, Orange City, Iowa.
Oakwood College, Huntsville, Alabama.

Scripps Research Institute, The, La Jolla, California.
 Sunbridge College, Chestnut Ridge, New York.
 Union Institute, The, Cincinnati, Ohio.
 University of Georgia, The, Athens, Georgia.
 University of Judaism, Los Angeles, California.
 University of the South, The, Sewanee, Tennessee.
 Wake Forest University, Winston-Salem, North Carolina.
 Wheaton College, Norton, Massachusetts.”;

(2) by deleting the following universities from paragraph *a*:

“Goshen Biblical Seminary, Elkhart, Indiana.
 Mennonite Biblical Seminary, Elkhart, Indiana.
 Union for Experimenting Colleges and Universities, The, Cincinnati, Ohio.”;

(3) by inserting the following university in paragraph *b* in alphabetical order:

“University of Hull, The, Hull, England.”;

(4) by inserting the following universities in paragraph *d* in alphabetical order:

“École Supérieure de Commerce de Paris, Paris.
 Hautes Études Commerciales, Paris.”;

(5) by adding the following university at the end of paragraph *i*:

“Yeshivat Aish Hatorah, Jerusalem.”;

(6) by adding the following university at the end of paragraph *q*:

University of Tasmania, Hobart.”; and

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

“(r) in Croatia:
 University of Zagreb, Zagreb.

(s) in South Africa:
 University of the Witwatersrand, The, Johannesburg.”.

2. Subsection 1 has effect from 1 January 1993. Notwithstanding the foregoing, paragraph 1 of that subsection, where it inserts the following universities in paragraph *a* of Schedule C to the Regulation: “Ambassador University, Big Sandy, Texas”, “Columbia Union College, Takoma Park, Maryland”, “Detroit College of Law, Detroit, Michigan”, “Divinity School, The, Rochester, New York”, “Emmanuel School of Religion, Johnson City, Tennessee”, “Meadville-Lombard Theological School, Chicago, Illinois”, “Oakwood College, Hunts-

ville, Alabama”, “Scripps Research Institute, The, La Jolla, California” and “University of the South, The, Sewanee, Tennessee”, and paragraph 7 of subsection 1, where it makes paragraph *s* of Schedule C to the Regulation, have effect only from 1 January 1994.

61. The word “ralentissement” is substituted for the word “retardement” in the French version of the following provisions:

- paragraph *h* of section 130R55.3;
- paragraph *c* of section 130R96; and
- paragraph *i* of Class 1 in Schedule B.

62 This Regulation comes into force on the date of its publication in the *Gazette officielle du Québec*.

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O.C. 1632-96, 18 December 1996

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31)

Fiscal administration

— Regulation

— Amendments

Regulation to amend the Regulation respecting fiscal administration

WHEREAS under section 96 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31), the Government may make regulations, in particular, to exempt from the duties provided for by a fiscal law, under the conditions which it prescribes, any prescribed person;

WHEREAS the Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r. 1) was made under that Act;

WHEREAS it is expedient to amend the Regulation in order to implement a fiscal measure announced on 20 December 1995 by the Minister of Finance in the information bulletin 95-7 in respect of the remission of income tax, as well as the interest and penalties related thereto, resulting from the inclusion, in the income for 1990 and 1991 of certain individuals occupying an employment in Nunavik during those years, of the value of the aid that they received at that time in connection with that employment for the shipment of food;

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 pursuant to section 8 of that Act if the authority making it is of the opinion that