

the fiscal nature of the norms established, amended or repealed therein warrants it;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du Québec* where the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

WHEREAS the Government is of the opinion that the fiscal nature of the norms established, amended or repealed by the Regulation warrants the absence of prior publication and such coming into force;

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 attached hereto, entitled Regulation to amend the Regulation respecting fiscal administration, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting fiscal administration

An Act respecting the Ministère du Revenu (R.S.Q., c. M-31, s. 96, 1st par., subpar. e)

1. The Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r. 1), amended by the Regulations made by Orders in Council 80-82 dated 13 January 1982 (Suppl., p. 909), 499-82 dated 3 March 1982 (Suppl., p. 910), 1408-84 dated 13 June 1984, 1876-84 dated 16 August 1984, 2728-84 dated 12 December 1984, 251-85 dated 6 February 1985, 1863-85 dated 11 September 1985, 2584-85 dated 4 December 1985, 1240-86 dated 13 August 1986, 1270-86 dated 20 August 1986, 1930-86 dated 16 December 1986, 1725-88 dated 16 November 1988, 879-89 dated 7 June 1989, 922-89 dated 14 June 1989, 1798-90 dated 19 December 1990, 49-91 dated 16 January 1991, 497-92 dated 1 April 1992, 647-92 dated 29 April 1992, 993-92 dated 30 June 1992, 1078-92 dated 15 July 1992, 1498-93 dated 27 October 1993, 748-94 dated 18 May 1994, 960-94 dated 22 June 1994, 385-95 dated 22 March 1995, 472-95 dated 5 April 1995, 1693-95 dated 20 December 1995, 262-96 dated 28 February 1996, 466-96 dated 17 April 1996 and 1117-96 dated 4 September 1996, is further amended by adding the following section:

“**96R18.** Remission is granted of the part of the tax, interest and penalties paid or payable under Part I of the Taxation Act (R.S.Q., c. I-3) by any individual having

lived and held an employment in Nunavik during the 1990 or 1991 taxation year which is attributable to the inclusion, in computing his income from that employment for those years, of the value of any advantage related to food shipping costs paid by his employer and which was not assumed by that employer.”.

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

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Gouvernement du Québec

O.C. 1633-96, 18 December 1996

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

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

An Act respecting the Régie de l'assurance-maladie du Québec
(R.S.Q., c. R-5)

An Act respecting the Québec Pension Plan
(R.S.Q., c. R-9)

An Act respecting real estate tax refund
(R.S.Q., c. R.20.1)

Regulations — Amendments

Regulation to amend the Regulation respecting the Taxation Act, the Regulation respecting fiscal administration, the Regulation respecting contributions to the Québec Health Insurance Plan, the Regulation respecting contributions to the Québec Pension Plan and the Regulation respecting proof required in determining real estate tax refund

WHEREAS firstly, under subparagraphs *e.2* and *f* of the first paragraph of section 1086 of the Taxation Act (R.S.Q., c. I-3), amended by section 227 of Chapter 63 of the Statutes of 1995, the Government may make regulations to require any person included in one of the classes of persons it determines to file any return it may prescribe relating to any information necessary for the establishment of an assessment provided for in that Act and to send, where applicable, a copy of the return or of a part thereof to any person to whom the return or part thereof relates and to whom it indicates in the regulation, and to generally prescribe measures required for the application of that Act; secondly, under the first

paragraph of section 96 of the Act respecting the Ministère du Revenu (R.S.Q., c. M-31), the Government may make regulations, in particular, to prescribe the measures required to carry out that Act and to exempt from the duties provided for by a fiscal law, under the conditions which it prescribes, any class of individuals contemplated in sections 8 and 1093 of the Taxation Act, with respect to all or any part of their income; thirdly, under paragraph *b* of section 35 of the Act respecting the Régie de l'assurance-maladie du Québec (R.S.Q., c. R-5), the Government may make regulations to generally prescribe the measures for the carrying out of Division I of Chapter IV of that Act; fourthly, under paragraphs *b* and *c* of section 81 of the Act respecting the Québec Pension Plan (R.S.Q., c. R-9), amended by section 23 of Chapter 23 of the Statutes of 1994 and by section 858 of Chapter 2 of the Statutes of 1996, the Government may make regulations requiring any class of persons to file the required returns in connection with contributions and requiring any person who files a return to supply a copy thereof or a prescribed portion thereof to each person in respect of whose contributions the return relates; and, fifthly, under subparagraph *a* of the first paragraph of section 41 of the Act respecting real estate tax refund (R.S.Q., c. R-20.1), the Government may make regulations establishing what proof is required to establish the facts relevant to the determination of a real estate tax refund;

WHEREAS the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1) was made under the Taxation Act, the Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r. 1) was made under the Act respecting the Ministère du Revenu, the Regulation respecting contributions to the Québec Health Insurance Plan (R.R.Q., 1981, c. R-5, r. 1) was made under the Act respecting the Régie de l'assurance-maladie du Québec, the Regulation respecting contributions to the Québec Pension Plan (R.R.Q., 1981, c. R-9, r. 2) was made under the Act respecting the Québec Pension Plan, and the Regulation respecting proof required in determining real estate tax refund (R.R.Q., 1981, c. R-20.1, r. 2) was made under the Act respecting real estate tax refund;

WHEREAS it is expedient to amend the Regulation respecting the Taxation Act, primarily in order to implement the fiscal measures introduced into the Taxation Act by Chapter 19 of the Statutes of 1993 and Chapter 63 of the Statutes of 1995 and announced on 14 May 1992, 12 May 1994, 21 December 1994, 9 May 1995 and 9 May 1996 by the Minister of Finance in Budget Speeches and a Minister's Statement;

WHEREAS it is expedient to amend the Regulation respecting fiscal administration, the Regulation respect-

ing contributions to the Québec Health Insurance Plan, the Regulation respecting contributions to the Québec Pension Plan and the Regulation respecting proof required in determining real estate tax refund, in order to introduce amendments affecting concordance and terminology that have become necessary primarily due to amendments made to the Taxation Act by Chapter 63 of the Statutes of 1995;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without prior publication as prescribed in section 8 of that Act, if the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed 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 lack 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 taxation year 1972;

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, the Regulation respecting fiscal administration, the Regulation respecting contributions to the Québec Health Insurance Plan, the Regulation respecting contributions to the Québec Pension Plan and the Regulation respecting proof required in determining real estate tax refund, attached hereto, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the Taxation Act, the Regulation respecting fiscal administration, the Regulation respecting contributions to the Québec Health Insurance Plan, the Regulation respecting contributions to the Québec Pension Plan and the Regulation respecting proof required in determining real estate tax refund

Taxation Act

(R.S.Q., c. I-3, s. 1086, 1st par., subpars. *e.2* and *f*)

An Act respecting the Ministère du Revenu

(R.S.Q., c. M-31, s. 96, 1st par. before subpar. *a*, and subpar. *d*)

An Act respecting the Régie de l'assurance-maladie du Québec

(R.S.Q., c. R-5, s. 35, par. *b*)

An Act respecting the Québec Pension Plan

(R.S.Q., c. R-9, s. 81, pars. *b* and *c*)

An Act respecting real estate tax refund

(R.S.Q., c. R-20.1, s. 41, 1st par., subpar. *a*)

Regulation respecting the Taxation Act

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, 523-96 dated 1 May 1996 and 1631-96 dated 18 December 1996, is further amended by substituting the word "établie" for the word "émise" in the French text of subparagraph *b* of the second paragraph of section 21.19R1.

2. The following is substituted for section 22R15:

"**22R15.** Where the aggregate of the amounts constituting the income derived, for a taxation year, from a business carried on in Québec and elsewhere by an individual contemplated in the second paragraph of section 22 of the Act is greater than his income for the year, the part of his income derived from a business that is attributable to an establishment outside Québec in Canada is deemed to be equal to the proportion of his income for the year that the part of his income derived from carrying on that business outside Québec in Canada, as otherwise determined, is of that aggregate.

For the purposes of the first paragraph, the income for a taxation year of an individual contemplated therein is the amount by which his income for the year, as determined under section 28 of the Act, exceeds the aggregate of the following amounts:

(*a*) where the individual is contemplated in the second paragraph of section 737.15 of the Act, the amount that he deducted in computing his taxable income for the year under section 737.16 of the Act;

(*b*) where the individual is a foreign researcher, within the meaning assigned to that expression by paragraph *a* of section 737.19 of the Act, or an individual contemplated in section 737.16.1 or 737.25 of the Act, the amount that he deducted in computing his taxable income for the year under section 737.16.1, 737.21 or 737.25 of the Act; and

(c) the amount that he deducted in computing his taxable income for the year under section 726.20.2 of the Act.”.

3. 1. The words “qualified corporation” are substituted for the words “eligible corporation” in the English text of section 119.2R1.

2. Subsection 1 has effect from 15 December 1995.

4. The word “diffusée” is substituted for the word “émise” everywhere it occurs in the French text of section 140.1R1.

5. 1. The following sections are inserted after the heading of Title XIII:

“**311R1.** A compensation related to medical expenses incurred by or on behalf of the taxpayer is a prescribed compensation for the purposes of paragraph *k.1* of section 311 of the Act.

311.1R1. A social assistance payment related to medical expenses incurred by or on behalf of the taxpayer is a prescribed payment for the purposes of section 311.1 of the Act.”.

2. Subsection 1 applies in respect of an amount received after 31 December 1994.

6. The following is substituted for paragraph *b* of section 336R7:

“(b) in any other case, computed in accordance with paragraph *a*, with the necessary modifications.”.

7. The following is substituted for the French text of section 360R33:

“**360R33.** Lorsque, par suite de difficultés d’ordre mécanique ou géologique, le forage d’un puits de pétrole ou de gaz donné n’atteint pas ses objectifs géologiques spécifiés dans l’autorisation de forer accordée par l’organisme gouvernemental concerné et qu’un autre puits, y compris un puits de secours, est foré dans la même formation géologique et que cet autre puits peut raisonnablement être considéré comme continuant ou remplaçant le puits de pétrole ou de gaz donné, les frais de forage de l’autre puits sont, pour l’application de la présente section, réputés des frais de forage du puits de pétrole ou de gaz donné.”.

8. 1. The following is substituted for paragraph *t* of section 488R1:

“(t) a benefit received under Chapter III of the Act respecting income security (R.S.Q., c. S-3.1.1), an amount corresponding to the amount of the increase received and provided for in section 10.2 or 16.2 of the Regulation respecting Income Security, made by Order in Council 922-89 dated 14 June 1989, as amended, under section 91 of that Act, and an amount received as a special benefit contemplated in Subdivision 2 of Division III of Chapter II of that Regulation;”.

2. Subsection 1 applies in respect of an amount received after 31 December 1990. Notwithstanding the foregoing, where paragraph *t* of section 488R1 of the Regulation, made by it, applies to the 1991 to 1994 taxation years, it shall be read as follows:

“(t) a benefit received under Chapter III of the Act respecting income security (R.S.Q., c. S-3.1.1) and an amount received as a special benefit contemplated in Subdivision 2 of Division III of Chapter II of the Regulation respecting Income Security, made by Order in Council 922-89 dated 14 June 1989, as amended, under section 91 of that Act;”.

9. 1. Section 712R1 is amended

(1) by inserting the following after paragraph *c*:

“(c.1) “work of art”: a work of art contemplated in section 714.1 of the Act;”;

(2) by inserting the following after paragraph *d*:

“(d.1) “particular person”: a person or entity contemplated in any of paragraphs *e* and *g* to *i* of section 710 of the Act, a registered charity or a Canadian amateur athletic association contemplated in section 710R1;”.

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

10. 1. Section 712R2 is amended

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

“**712R2.** For the purposes of section 712 of the Act, a receipt, other than a receipt in respect of which section 712R2.1 applies, issued by an organization or a donee shall contain a statement that it is a receipt in respect of income tax and the following information;”;

(2) by substituting the word “délivré” for the word “émis” in the French text of paragraph *c*.

2. Paragraph 1 of subsection 1 applies in respect of a gift made after 9 May 1995.

11. 1. The following is inserted after section 712R2:

“**712R2.1.** For the purposes of section 712 of the Act, where a corporation makes a gift of a work of art to a particular person, other than such a person who acquires the work of art in connection with its primary mission, the receipt issued by the particular person in respect of that gift shall contain the statement contemplated in section 712R2 and the information contemplated in paragraphs *a* to *g* and *i* of that section and the following information:

(*a*) the date of the disposition of the work of art by the particular person;

(*b*) the amount that may reasonably be considered as the consideration for that disposition; and

(*c*) the fair market value of that work of art at the time of that disposition.”

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

12. 1. The following is substituted for section 712R4:

“**712R4.** For the purposes of section 712 of the Act, a receipt issued to replace a receipt previously issued shall contain, in addition to the information contemplated in section 712R2 or 712R2.1, a clear indication to that effect and the serial number of the original receipt.”

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

13. 1. Chapter IV.0.1 of Title XVIII is revoked.

2. Subsection 1 has effect from 15 December 1995.

14. 1. The following is substituted for section 746R1:

“**746R1.** For the purposes of section 746 of the Act, the portion of the dividend prescribed to be paid out of the exempt surplus, the prescribed foreign tax, the portion of the dividend prescribed to be paid out of the taxable surplus or the part of the dividend prescribed to be paid out of the pre-acquisition surplus, as the case may be, represents an amount equal to that computed as such, at the same time and for the same purposes, under the Income Tax Act (Revised Statutes of Canada, 1985, c. 1, 5th suppl.) and the Regulations made thereunder.”

2. Subsection 1 applies from the 1991 taxation year.

15. 1. Section 752.0.10.3R1 is amended

(1) by inserting the following definition after the definition of the expression “registration number”:

““work of art” means a work of art contemplated in section 752.0.10.11.1 of the Act;” and

(2) by inserting the following definition after the definition of the expression “organization”:

““particular person” means a person or entity contemplated in any of paragraphs *d* and *f* to *h* of the definition of the expression “total charitable gifts” provided for in section 752.0.10.1 of the Act, a registered charity or a Canadian amateur athletic association contemplated in section 710R1;”.

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

16. 1. The following is substituted for section 752.0.10.3R3:

“**752.0.10.3R3.** For the purposes of section 752.0.10.3 of the Act, a receipt, other than a receipt in respect of which section 752.0.10.3R3.1 applies, issued by an organization or a donee shall contain the statement and the information contemplated in section 712R2 and, if the receipt is issued to replace a receipt previously issued, it shall also contain a clear indication to that effect and the serial number of the original receipt.”

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

17. 1. The following is inserted after section 752.0.10.3R3:

“**752.0.10.3R3.1.** For the purposes of section 752.0.10.3 of the Act, where an individual makes a gift of a work of art to a particular person, other than such a person who acquires the work of art in connection with its primary mission, the receipt issued by the particular person in respect of that gift shall contain the statement contemplated in section 712R2 and the information contemplated in paragraphs *a* to *g* and *i* of that section and the following information:

(*a*) the date of the disposition of the work of art by the particular person;

(*b*) the amount that may reasonably be considered as the consideration for that disposition; and

(*c*) the fair market value of that work of art at the time of that disposition.

Where the receipt contemplated in the first paragraph is issued to replace a receipt previously issued, it shall also contain a clear indication to that effect and the serial number of the original receipt.”

2. Subsection 1 applies in respect of a gift made after 9 May 1995.

18. 1. Title XXI is revoked.

2. Subsection 1 applies from the 1991 taxation year, except where it revokes the second paragraph of section 772R1 of that Regulation, in which case it applies to the computation of the tax payable by a taxpayer under Part I of the Taxation Act (R.S.Q., c. I-3) for a taxation year subsequent to the 1990 taxation year.

3. Furthermore:

(1) for the purposes of Title XXI of the Regulation, revoked by subsection 1, where the second paragraph of section 772R1 of the Regulation applies to the computation of the tax payable by a taxpayer under Part I of the Taxation Act for any of the 1988 to 1990 taxation years, the expression “unused part of the abatement for foreign taxes” of that taxpayer for a particular taxation year that is one of the 1991 to 1993 taxation years means, notwithstanding that second paragraph and section 772R9 of the Regulation,

(a) relative to a country, where the taxpayer is an individual, the amount determined in that Title for the particular year in respect of the individual relative to that country in accordance with section 772.2 of that Act; or

(b) where the taxpayer is a corporation, the amount determined in that Title for the particular year in respect of the corporation in accordance with section 772.2 of that Act;

(2) where section 772R3 of the Regulation, revoked by subsection 1, applies

(a) after 31 December 1985, to a taxation year ending before 14 July 1990, paragraph *a* of that section shall be read with the words “in such country, other than the portion of that income that is deductible under section 737.16 of the Act in computing his taxable income for the year” being substituted for the words “in such country”; or

(b) to a taxation year ending after 13 July 1990, subparagraph *i* of paragraph *a* of that section shall be read with the words “of section 725 and section 737.16” being substituted for the words “of section 725”; and

(3) the part of section 772R9 of the Regulation, revoked by subsection 1, preceding paragraph *a* shall be read as follows where it applies to the computation of the tax payable by a taxpayer under Part I of the Taxation Act for a taxation year ending after 12 November 1981 and that is

(a) prior to the 1984 taxation year:

“**772R9.** For the purposes of sections 772R2 and 772R5, the taxpayer contemplated therein shall deduct from the tax paid, in respect of an income, to the government of a foreign country or a political subdivision of that country, the portion relative to that income of the aggregate:”; or

(b) subsequent to the 1983 taxation year:

“**772R9.** For the purposes of the second paragraph of section 772R1 and sections 772R2 and 772R5, the taxpayer contemplated therein shall deduct from the tax paid, in respect of an income, to the government of a foreign country or a political subdivision of that country, the portion relative to that income of the aggregate:”.

19. 1. Title XXI.0.1 is revoked.

2. Subsection 1 applies from the 1993 taxation year.

20. 1. Section 985.9.2R1 is amended

(1) by deleting paragraph *c*;

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

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

“(f) “limited-dividend housing company” means a limited-dividend housing company contemplated in paragraph *c* of section 998 of the Act.”.

2. Subsection 1 has effect from 15 December 1995.

21. 1. The words “société immobilière” are substituted for the words “compagnie de logements” in the French text of subparagraph *c* of the first paragraph of section 985.9.2R3.

2. Subparagraph 1 has effect from 15 December 1995.

22. 1. The following is substituted for the part of the definition of the expression “personal income-tax credit” preceding paragraph *a* in section 1015R1:

““personal income-tax credit” means, in respect of a particular taxation year, the product obtained by multiplying 5 by the first-mentioned deduction in section 752.0.1 of the Act that the employee may deduct from his tax otherwise payable for the year or, where the employee has filed a return with the employer in accordance with section 1015.3 of the Act, the product obtained by multiplying 5 by the aggregate of the amounts that the employee may deduct, according to the information indicated by the employee in his last return filed with the employer in accordance with that section 1015.3, from his tax otherwise payable for the year under.”.

2. Subsection 1 has effect from 1 January 1996.

23. 1. Paragraph *e* of section 1015R2.1 is deleted.

2. Subsection 1 has effect from 1 January 1996.

24. 1. The following is substituted for paragraph *b* of section 1015R2.2:

“(b) an amount equal to his premium consisting of class “A” shares issued by the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., c. F-3.2.1) or class “A” or “B” shares issued by 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, c. 48), that does not exceed the product obtained by multiplying 5 by the amount determined in the second paragraph of section 1015R3 in respect of such shares for that remuneration in respect of the employee.”.

2. Subsection 1 has effect from 1 January 1996.

25. 1. The following is substituted for the part of the second paragraph of section 1015R2.3 preceding subparagraph *a*:

“For the purposes of the first paragraph, the amount of the reduction for a taxation year determined in respect of an employee is the aggregate of the following amounts, as indicated in his last return filed with the employer in accordance with section 1015.3 of the Act:”.

2. Subsection 1 has effect from 1 January 1996.

26. 1. The following is substituted for section 1015R3:

“**1015R3.** The amount that an employer is required to deduct, under the Act, from a remuneration that he pays to an employee shall be equal to the amount by which the amount established in accordance with Sched-

ule A exceeds the amount determined in the second paragraph in respect of that employee, taking into account the amount of the remuneration paid to the employee, the length of the pay period, the amount of the employee’s personal income-tax credits and, where applicable, the adjustment applicable in respect of the deduction provided for in section 752.0.18.1 of the Act.

The amount referred to in the first paragraph shall be equal to 20 % of the amount deducted from the remuneration of the employee by the employer according to the authorization of the employee for the purchase by that employee, as first purchaser, of class “A” shares issued by the corporation governed by the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., c. F-3.2.1) or class “A” or “B” shares issued by 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, c. 48), without the total of the amounts determined under this paragraph exceeding \$1 000 for a year.”.

2. Subsection 1 has effect from 1 January 1996.

27. 1. The following is substituted for the first paragraph of section 1015R12:

“**1015R12.** An employer may make no deduction under sections 1015R3, 1015R5 to 1015R7 and 1015R9 from the remuneration of an employee for a taxation year where he files with his employer, for the year, the return contemplated in section 1015.3 of the Act informing him that his income from employment for the year will be less than the net amount that he claims for the year, as indicated in that return.”.

2. Subsection 1 has effect from 1 January 1996.

28. 1. Section 1015R13 is revoked.

2. Subsection 1 has effect from 1 January 1996.

29. 1. The following is substituted for section 1015R13.3:

“**1015R13.3.** Every person who, during a taxation year, pays a remuneration to a fisherman who, under subparagraph *n* of the second paragraph of section 1015 of the Act, has made an election for the year in prescribed form in respect of any remuneration to be paid to him shall deduct 13 % of that remuneration while that election is in force.”.

2. Subsection 1 has effect from 15 December 1995.

30. 1. The words “a qualified corporation” are substituted for the words “an eligible corporation” everywhere they occur in the English text of the first paragraph of section 1027R1.

2. Subsection 1 applies to a taxation year ending after 30 June 1994.

31. 1. The following is substituted for section 1029.8.1R0.4:

“**1029.8.1R0.4.** For the purposes of paragraph *a.1.1* of section 1029.8.1 of the Act, the Pulp and Paper Research Institute of Canada (PAPRICAN) and Forintek Canada Corp. (FORINTEK) are prescribed bodies.”

2. Subsection 1 has effect from 23 August 1993.

32. 1. Section 1029.8.7.2R1 is revoked.

2. Subsection 1 has effect from 15 December 1995.

33. 1. The following is inserted after section 1029.8.17R2:

“**1029.8.33.2R1.** For the purposes of paragraph *c* of the definition of the expression “eligible trainee” provided for in the first paragraph of section 1029.8.33.2 of the Act, a prescribed program is a program approved by the Ministère de l'Éducation in accordance with the section “A NEW PATH IN VOCATIONAL EDUCATION” of the Experimental Program for Offering a Greater Variety of Options to Young People in Vocational Education.”

2. Subsection 1 applies in respect of salaries and expenses paid within the framework of a qualified training period commencing after 9 May 1995.

34. 1. The following is inserted after subparagraph *d* of the second paragraph of section 1079.1R2:

“(d.1) class “A” or “B” shares issued by 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, c. 48);”

2. Subsection 1 applies from the 1995 taxation year.

35. 1. The following is substituted for the first paragraph of section 1086R8.1.6:

“**1086R8.1.6.** A corporation governed by an act to establish a labour-sponsored fund shall file an information return in prescribed form in respect of any class “A”

share of its capital stock that it issues and, if it is governed by the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (1995, c. 48), in respect of any class “B” share of its capital stock that it issues.”

2. Subsection 1 applies from the 1995 taxation year.

36. 1. The following is inserted after section 1086R8.1.7:

“**1086R8.1.8.** A partnership that carries on a business in Canada, that causes scientific research and experimental development within the meaning of sections 222R1 and 222R2 to be undertaken on its behalf in Québec as part of a contract, and that makes an expenditure, as part of the contract, that is a portion of the consideration contemplated in subparagraph *c* of the first paragraph of section 1029.8 of the Act shall transmit in writing, within 60 days following the end of its fiscal period during which the expenditure is made, to each taxpayer who is a member thereof at the end of that fiscal period, the information required by section 1029.8.0.0.1 of the Act in respect of that contract.”

2. Subsection 1 applies in respect of an expenditure made after 12 May 1994 for scientific research and experimental development undertaken after that date as part of a contract entered into after that date.

37. 1. The following is substituted for paragraph *a* of section 1086R8.7:

“(a) an indemnity it pays or determines under the Act respecting industrial accidents and occupational diseases (R.S.Q., c. A-3.001) or the Workmen's Compensation Act (R.S.Q., c. A-3), other than a compensation described in section 311R1;”

2. Subsection 1 has effect from 1 January 1995.

38. 1. The following is substituted for paragraph *a* of section 1086R8.9:

“(a) a benefit he pays under the Act respecting income security (R.S.Q., c. S-3.1.1), other than a benefit paid under Chapter III of that Act, an amount corresponding to the amount of the increase received and provided for in section 10.2 or 16.2 of the Regulation respecting Income Security, made by Order in Council 922-89 dated 14 June 1989, as amended, under section 91 of that Act, an amount received as a special benefit contemplated in Subdivision 2 of Division III of Chapter II of that Regulation, or a payment described in section 311.1R1;”

2. Subsection 1 has effect from 1 January 1995. Furthermore, where section 1086R8.9, amended by it, applies

(1) after 31 December 1990 and before 1 January 1992, it shall be read as follows:

“**1086R8.9.** The Minister of Manpower, Income Security and Skills Development shall file an information return in prescribed form in respect of a benefit he pays under the Act respecting income security (1988, c. 51), other than a benefit paid under Chapter III of that Act or an amount received as a special benefit contemplated in Subdivision 2 of Division III of Chapter II of the Regulation respecting Income Security, made by Order in Council 922-89 dated 14 June 1989, as amended, under section 91 of that Act.”; or

(2) after 31 December 1991 and before 1 January 1995, paragraph *a* of that section shall be read as follows:

“(a) a benefit he pays under the Act respecting income security (R.S.Q., c. S-3.1.1), other than a benefit paid under Chapter III of that Act or an amount received as a special benefit contemplated in Subdivision 2 of Division III of Chapter II of the Regulation respecting Income Security, made by Order in Council 922-89 dated 14 June 1989, as amended, under section 91 of that Act;”.

39. 1. The following is substituted for sections 1086R8.12.1 and 1086R8.12.2:

“**1086R8.12.1.** The administrator of a multi-employer insurance plan, within the meaning of section 43.1 of the Act, shall disclose, to any employer that is a member of that plan and to any other person who pays a contribution contemplated in section 157.15 of the Act, the part of any contribution required to be paid by that employer or that other person under the plan which can reasonably be attributed to a plan for the insurance of persons, other than in relation to coverage against a loss of all or part of an income from an office, employment or business.

1086R8.12.2. The administrator of a multi-employer insurance plan, within the meaning of section 43.1 of the Act, shall file an information return in prescribed form where, for a taxation year, an individual is required to include an amount in computing his income under section 43.2 of the Act in relation to that plan or, if such is not the case, where he enjoys, at any time in the year, coverage under that plan, other than coverage against a loss of all or part of an income from an office, employment or business.”.

2. Subsection 1 applies from the 1994 taxation year. Furthermore, where section 1086R8.12.1 of the Regulation, amended by it, applies after 20 May 1993 and before 1 January 1994, it shall be read with the words “plan for the insurance of persons” being substituted for the words “personal insurance plan” in the English text.

40. 1. The following is inserted after section 1086R23.12:

“**1086R23.13.** A recognized financial institution that has granted an eligible loan to an individual for the acquisition of an eligible housing unit shall file an information return in prescribed form, in respect of that eligible housing unit, for each year in respect of which the individual may have to file that form under section 1029.8.91 of the Act.

In this section, the expressions “recognized financial institution”, “eligible housing unit” and “eligible loan” have the meaning assigned to them by the first paragraph of section 1029.8.83 of the Act.

1086R23.14. A participating municipality that, in a calendar year, issues a valid certificate in respect of an eligible housing unit acquired by an individual shall, in that year, personally give to that individual a copy of that certificate or send it to his last known address and file an information return in prescribed form in respect of that eligible housing unit acquired by the individual.

In this section, the expressions “valid certificate”, “eligible housing unit” and “participating municipality” have the meaning assigned to them by section 1029.8.93 of the Act.

1086R23.15. Every person, other than a person contemplated in the second paragraph, that provides day care in Québec for remuneration shall file an information return in prescribed form in respect of the amounts that he receives in that capacity in a calendar year.

For the purposes of the first paragraph, a person contemplated means an individual that is not a trust, other than such an individual holding a permit issued under the Act respecting child day care (R.S.Q., c. S-4.1), or recognized as a person responsible for home day care by a person holding a home day care agency permit issued under that same Act.

1086R23.16. Every person required under section 1086R23.15 to file an information return with the Minister shall, not later than the date on which the information return to the Minister is required to be filed, transmit, to each taxpayer who has paid to him in a calendar year an amount as expenses for day care provided in Québec, an information return in prescribed form.

The information return that is required to be transmitted to a taxpayer under the first paragraph shall be sent to his last known address or given to him personally.”.

2. Subsection 1, where it makes sections 1086R23.13 and 1086R23.14 of the Regulation, applies from the 1995 taxation year and, where it makes sections 1086R23.15 and 1086R23.16 of the Regulation, it applies from the 1996 taxation year.

41. The following is substituted for section 1088R14:

“**1088R14.** Where the aggregate of the amounts constituting the income for a taxation year from a business which an individual contemplated in section 25 of the Act carries on in Québec and elsewhere is greater than his income for the year, the portion of his income from a business which is attributable to an establishment in Québec is deemed to be equal to the proportion of his income for the year that the portion of his income for the year from the carrying on of a business which is attributable to an establishment in Québec, as otherwise determined, is of that aggregate.

For the purposes of the first paragraph, the income for a taxation year of an individual contemplated therein is the amount by which his income, computed without taking into account sections 36.1, 309.1, 334.1 and 1029.8.50 of the Act, that would be determined for the year under section 28 of the Act, if he had resided in Québec on the last day of the taxation year, exceeds any amount deducted by him in computing his taxable income for the year under section 726.20.2, 737.16, 737.16.1, 737.21 or 737.25 of the Act.”.

42. 1. Section 1137R1 is amended

(1) by substituting a semicolon for the period at the end of subsection 3; and

(2) by adding the following after subsection 3:

“(4) For the purposes of subsection 1, where a corporation is a member of the partnership described in section 1 of the Act respecting the application of certain fiscal provisions to a limited partnership operating asbestos mines (1986, c. 68), the gross revenue of the partnership from a mineral resource owned or carried on by it and its gross revenue, on the one hand, are deemed to constitute, respectively, a gross revenue of the corporation from a mineral resource owned or carried on by it and a gross revenue of the corporation in the proportion that the corporation’s share of the income or loss of the partnership for the partnership’s fiscal year ending in the corporation’s taxation year is of the income or loss of the partnership for that fiscal period, assuming, if the

income and loss of the partnership for that fiscal period are nil, that the income of the partnership for that fiscal period is equal to \$1 000 000, and, on the other hand, are deemed not to constitute an income for the partnership.”.

2. Subsection 1 has effect from 19 June 1986. Notwithstanding the foregoing, where subsection 4 of section 1137R1 of the Regulation, made by it, applies to a fiscal period of a partnership ending

(a) before 27 April 1990, it shall be read as follows:

“(4) For the purposes of subsection 1, where a corporation is a member of the partnership described in section 1 of the Act respecting the application of certain fiscal provisions to a limited partnership operating asbestos mines (1986, c. 68), the gross revenue of the partnership from a mineral resource owned or carried on by it and its gross revenue, on the one hand, are deemed to constitute, respectively, a gross revenue of the corporation from a mineral resource owned or carried on by it and a gross revenue of the corporation in the proportion that its interest in the partnership is of the interest of all the members in the partnership, and, on the other hand, are deemed not to constitute an income for the partnership.”; or

(a) after 26 April 1990 and before 10 May 1995, it shall be read as follows:

“(4) For the purposes of subsection 1, where a corporation is a member of the partnership described in section 1 of the Act respecting the application of certain fiscal provisions to a limited partnership operating asbestos mines (1986, c. 68), the gross revenue of the partnership from a mineral resource owned or carried on by it and its gross revenue, on the one hand, are deemed to constitute, respectively, a gross revenue of the corporation from a mineral resource owned or carried on by it and a gross revenue of the corporation in the proportion that its interest in the profits of the partnership is of the interest of all the members in the profits of the partnership, and, on the other hand, are deemed not to constitute an income for the partnership.”.

43. 1. The words “in subparagraph *a* of the first paragraph of section 1141.1.1” are substituted for the words “in section 1141.1.1” in the first paragraph of section 1141.1.1R1.

2. Subsection 1 applies to a taxation year commencing after 9 May 1995.

44. 1. The Regulation is amended

(1) by substituting the word “file” for the word “issue” in the following provisions:

- the first paragraph of section 1086R8.12;
- the first paragraph of section 1086R8.16;

(2) by substituting the words “with the necessary modifications” for the words “*mutatis mutandis*” or “*mutatis mutandis*,”, as the case may be, in the following provisions:

- section 0R3;
- section 22R18;
- section 209.4R1;
- section 471R1;
- section 475R1;
- section 477R1;
- section 478R1;
- section 479R1;
- section 1027R9;
- section 1088R17;
- section 1089R14;

(3) by substituting the word “interentreprises” for the word “multi-employeurs” in the French text of the following provisions:

- section 1015R3.5;
- section 1086R8.12.3;

(4) by substituting the words “with the necessary modifications” for the words “*mutatis mutandis*” in the English text of the following provisions:

- section 517.1R1;
- section 965.4.5R1; and

(5) by substituting the words “PLAN FOR THE INSURANCE OF PERSONS” or “plan for the insurance of persons” for the words “PERSONAL INSURANCE PLAN” or “personal insurance plan” in the English text of the following provisions:

- the heading of Title III.0.1;
- the first paragraph of section 37.0.1.5R1;
- the part of the second paragraph of section 37.0.1.5R1 preceding subparagraph *a*;
- section 1086R8.12.3.

2. Paragraph 3 of subsection 1 applies from the 1994 taxation year.

3. Paragraph 5 of subsection 1 applies from the 1993 taxation year, except where it amends section 1086R8.12.3 of the Regulation, in which case it has effect from 21 May 1993.

Regulation respecting fiscal administration

45. 1. The Regulation respecting fiscal administration (R.R.Q., 1981, c. M-31, r. 1), amended by the Regulations made by Orders in Council 80-82 dated 13 January 1982 (Suppl., p. 909), 499-82 dated 3 March 1982 (Suppl., p. 910), 1408-84 dated 13 June 1984, 1876-84 dated 16 August 1984, 2728-84 dated 12 December 1984, 251-85 dated 6 February 1985, 1863-85 dated 11 September 1985, 2584-85 dated 4 December 1985, 1240-86 dated 13 August 1986, 1270-86 dated 20 August 1986, 1930-86 dated 16 December 1986, 1725-88 dated 16 November 1988, 879-89 dated 7 June 1989, 922-89 dated 14 June 1989, 1798-90 dated 19 December 1990, 49-91 dated 16 January 1991, 497-92 dated 1 April 1992, 647-92 dated 29 April 1992, 993-92 dated 30 June 1992, 1078-92 dated 15 July 1992, 1498-93 dated 27 October 1993, 748-94 dated 18 May 1994, 960-94 dated 22 June 1994, 385-95 dated 22 March 1995, 472-95 dated 5 April 1995, 1693-95 dated 20 December 1995, 262-96 dated 28 February 1996, 466-96 dated 17 April 1996, 1117-96 dated 4 September 1996 and 1632-96 dated 18 December 1996, is further amended by substituting the following for paragraph 3 of section 7R7:

“(3) sections 130R10 and 130R31 and Classes 1 *l*, 2 *b*, 24, 27 and 34 of Schedule B to the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1).”

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

46. Division III is revoked.

47. The words “with the necessary modifications” are substituted for the words “*mutatis mutandis*” in section 96R5.

Regulation respecting contributions to the Québec Health Insurance Plan

48. The Regulation respecting contributions to the Québec Health Insurance Plan (R.R.Q., 1981, c. R-5, r. 1), amended by the Regulations made by Orders in Council 1931-86 dated 16 December 1986, 839-88 dated 1 June 1988, 778-94 dated 25 May 1994 and 36-96 dated 10 January 1996, is further amended by substituting the words “with the necessary modifications” for the words “*mutatis mutandis*” in the English text of section 3.

Regulation respecting contributions to the Québec Pension Plan

49. The Regulation respecting contributions to the Québec Pension Plan (R.R.Q., 1981, c. R-9, r. 2),

amended by the Regulations made by Orders in Council 3123-81 dated 11 November 1981, 2824-82 dated 1 December 1982, 2485-83 dated 30 November 1983, 2729-84 dated 12 December 1984, 2585-85 dated 4 December 1985, 1868-86 dated 10 December 1986, 1831-87 dated 2 December 1987, 840-88 dated 1 June 1988, 1820-88 dated 7 December 1988, 1803-89 dated 22 November 1989, 1690-90 dated 5 December 1990, 1658-91 dated 4 December 1991, 1800-92 dated 9 December 1992, 1647-93 dated 24 November 1993, 1692-94 dated 30 November 1994, 1563-95 dated 29 November 1995 and 1636-95 dated 13 December 1995, is further amended by substituting the words “with the necessary modifications” for the words “, adapted as required,” in section 11.

Regulation respecting proof required in determining real estate tax refund

50. The Regulation respecting proof required in determining real estate tax refund (R.R.Q., 1981, c. R-20.1, r. 2), amended by the Regulations made by Orders in Council 948-88 dated 15 June 1988 and 48-91 dated 16 January 1991, is further amended by substituting the words “in subparagraph 5 or 6 of subparagraph *i* of subparagraph *c*” for the words “in paragraph *iv* or *v* of subparagraph *c*” in section 1.

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

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Gouvernement du Québec

O.C. 1634-96, 18 December 1996

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

Regulation — Amendment

Regulation to amend the Regulation respecting the Taxation Act

WHEREAS under section 1015 of the Taxation Act (R.S.Q., c. I-3), amended by section 110 of Chapter 1 of the Statutes of 1995, by section 228 of Chapter 49 of the Statutes of 1995 and replaced by section 114 of Chapter 63 of the Statutes of 1995, a person who pays, allocates, grants or awards at any time during a taxation year any of the amounts mentioned therein shall deduct or withhold therefrom the prescribed amount and shall pay an equal amount to the Minister on the dates, for the periods and according to the terms and conditions prescribed;

WHEREAS under subparagraph *f* of the first paragraph of section 1086 of that Act, amended by section 227 of Chapter 63 of the Statutes of 1995, the Government may make regulations to generally prescribe the measures required for its application;

WHEREAS under section 1015R3 of the Regulation respecting the Taxation Act (R.R.Q., 1981, c. I-3, r. 1), the amount which a person shall deduct under the Act is established in accordance with Schedule A to that Regulation;

WHEREAS changes made in the rates of contribution to the Québec Pension Plan and to the Employment Insurance of Canada, applicable from 1 January 1997 and the introduction of a new solidarity contribution for fighting poverty announced by the Minister of Finance in his Minister's Statement of 26 November 1996 require an adjustment in the income tax deducted at source for the period beginning on 1 January 1997 and ending on 31 December 1997;

WHEREAS in order to take these changes into account, it is expedient to amend the Regulation respecting the Taxation Act to substitute new tables of source deductions applicable for the 1997 taxation year for the tables presently in force prescribed by Schedule A to that Regulation;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without the prior publication prescribed in section 8 of that Act, where the authority making it is of the opinion that the fiscal nature of the norms established, amended or repealed therein warrants it;

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 or amended by the Regulation warrants the absence of prior publication and such coming into force;

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

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