

Gouvernement du Québec

O.C. 1635, 18 December 1996

Tobacco Tax Act
(R.S.Q., c. I-2)

Licenses Act
(R.S.Q., c. L-3; 1995, c. 63)

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

An Act respecting the Québec sales tax
(R.S.Q., c. T.0.1; 1995, c. 1; 1995, c. 63)

Fuel Tax Act
(R.S.Q., c. T-0.1; 1995, c. 1; 1995, c. 65)

Regulations
— **Amendments**

Regulation to amend the Regulation respecting the application of the Tobacco Tax Act, the Regulation respecting the application of the Licences Act, the Regulation respecting fiscal administration, the Regulation respecting the Québec sales tax and the Regulation respecting the application of the Fuel Tax Act

WHEREAS under section 19 of the Tobacco Tax Act (R.S.Q., c. I-2), the Government may make such regulations, not inconsistent with that Act, as are considered necessary for the purpose of carrying into effect the provisions of that Act according to their true intent or of supplying any deficiency therein, in particular to determine the amount of the costs of seizure and preservation payable upon payment of a deposit by a person to the Minister of Revenue where a vehicle is remitted and the manner in which such deposit shall be kept by an authorized person until it is disposed of in accordance with section 13.4.2 of that Act and to determine the manner in which a person authorized by the Minister shall keep the proceeds of the sale of seized tobacco packages, vehicles or vending machines until they are disposed of in accordance with section 13.5 of the Act;

WHEREAS under subparagraph *d* of the first paragraph of section 5 of the Licenses Act (R.S.Q., c. L-3; as amended by section 264 of Chapter 63 of the Statutes of 1995), the Government may make any regulation necessary for the application of that Act, in particular to determine any person making beer in Québec who may benefit from a percentage of reduction of the specific duty when selling beer for consumption in an establishment and to determine the percentage of reduction of that specific duty in accordance with section 79.11 of that Act;

WHEREAS under subparagraph *e* of 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 an Indian, a person of Indian descent and any other prescribed person;

WHEREAS under the first paragraph of section 677 of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1; as amended by section 349 of Chapter 1 and section 509 of Chapter 63 of the Statutes of 1995), the Government may, by regulation, generally prescribe any measures required for the purposes of that Act;

WHEREAS as regards the Fuel Tax Act (R.S.Q., c. T-1; as amended by section 350 of Chapter 1 and sections 514, 517, 522, 526 and 527 of Chapter 63 and sections 126, 128 and 137 of Chapter 65 of the Statutes of 1995), under:

Firstly, subparagraph *a* of the fifth paragraph of section 2 of that Act, the Government may define the expression “designated region”;

Secondly, subparagraph *b* of the fifth paragraph of section 2 of that Act, the Government may fix the percentage of the reduction in fuel tax for border, peripheral, specified and designated regions;

Thirdly, the first paragraph of section 10.3 of that Act, the Government may make regulations to prescribe within what time, the conditions on which and according to what modalities a reimbursement of an amount equal to the tax paid in excess may be made to a supplier by reason of the correction in the quantity of fuel at 15° Celsius;

Fourthly, section 18 of that Act, the Government may prescribe by regulation in what manner and on which conditions the colouring of fuel oil shall be made;

Fifthly, paragraph *d* of section 27 of that Act, the Government may exempt a person from holding a storer’s permit;

Sixthly, the third paragraph of section 32.1 of that Act, the Government may determine classes of persons and exempt any such class from the requirement to draw up a manifest or way-bill;

Seventhly, section 50.12 of that Act, the Government may prescribe any measures necessary for the application of the International Fuel Tax Agreement;

Eighthly, the second paragraph of section 51.1 of that Act, the Government may prescribe the conditions on which and the modalities of application according to which an amount equal to the tax shall be reduced;

WHEREAS the Regulation respecting the application of the Tobacco Tax Act (O.C. 1929-86 dated 16 December 1986) was made under the Tobacco Tax Act, the Regulation respecting the application of the Licenses Act (R.R.Q., 1981, c. L-3, r.1) was made under the Licenses 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 the Québec sales tax (O.C. 1607-92 dated 4 November 1992) was made under the Act respecting the Québec sales tax and the Regulation respecting the application of the Fuel Tax Act (R.R.Q., 1981, c. T-1, r. 1) was made under the Fuel Tax Act;

WHEREAS it is expedient to amend the Regulation respecting the application of the Tobacco Tax Act in order to give effect to the fiscal measures introduced in the Tobacco Tax Act by Chapter 79 of the Statutes of 1993 and announced by the Minister of Finance in his Minister's Statement of 23 April 1993;

WHEREAS it is expedient to amend the Regulation respecting the application of the Licenses Act in order to give effect to the fiscal measures introduced in the Licenses Act by Chapter 63 of the Statutes of 1995 and announced on 9 May 1995 by the Minister of Finance on the occasion of a Budget Speech;

WHEREAS it is expedient to amend the Regulation respecting fiscal administration in order to give effect to the measures announced by the Minister of Finance on 20 May 1993 and 9 May 1995 on the occasion of a Budget Speech and in his Minister's Statement of 21 December 1994;

WHEREAS it is expedient to amend the Regulation respecting the Québec sales tax in order to give effect to the fiscal measures introduced in the Act respecting the Québec sales tax by Chapters 1 and 63 of the Statutes of 1995 and announced by the Minister of Finance on 12 May 1994 and 9 May 1995 on the occasion of a Budget Speech and to make various amendments to harmonize it with federal regulations or to introduce rules specific to the Québec taxation system;

WHEREAS it is expedient to amend the Regulation respecting the application of the Fuel Tax Act in order to give effect to the fiscal measures introduced by Chapters 63 and 65 of the Statutes of 1995 and announced by the Minister of Finance in his Minister's Statement of 3 February 1995, in Information Bulletins 95-3 and 95-6

issued by the Ministère des Finances on 29 June and 1 December 1995, as well as to make technical amendments thereto;

WHEREAS under section 12 of the Regulations Act (R.S.Q., c. R-18.1), a proposed regulation may be made without having been published as prescribed by 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 fiscal nature of the norms established, amended or repealed by that Regulation justifies the absence of prior publication and such coming into force;

WHEREAS under section 27 of the Regulations Act, a regulation may take 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 section 20 of the Tobacco Tax Act, the second paragraph of section 5 of the Licenses Act and the first paragraph of section 56 of the Fuel Tax Act, regulations made under these Acts come into force on the date of their publication in the *Gazette officielle du Québec* or on any later date fixed therein; once published and if they so provide, they may also apply to a date prior to their publication but not prior to the current year;

WHEREAS under the second paragraph of section 50.12 of the Fuel Tax Act, notwithstanding the first paragraph of section 56 of that Act, regulations made under Division IX.1 may, after publication and if they so provide, apply from 1 January 1996;

WHEREAS under section 97 of the Act respecting the Ministère du Revenu, every regulation made under that Act shall come into force on the date of its publication in the *Gazette officielle du Québec* or on any later date fixed therein; such regulation may also, if it so provides, apply to a period prior to its publication;

WHEREAS under the second paragraph of section 677 of the Act respecting the Québec sales tax, regulations made under that Act come into force on the date of their publication in the *Gazette officielle du Québec*, unless they fix another date which may in no case be prior to 1 July 1992;

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 application of the Tobacco Tax Act, the Regulation respecting the application of the Licenses Act, the Regulation respecting fiscal administration, the Regulation respecting the Québec sales tax and the Regulation respecting the application of the Fuel Tax Act, attached hereto, be made.

MICHEL CARPENTIER,
Clerk of the Conseil exécutif

Regulation to amend the Regulation respecting the application of the Tobacco Tax Act, the Regulation respecting the application of the Licenses Act, the Regulation respecting fiscal administration, the Regulation respecting the Québec sales tax and the Regulation respecting the application of the Fuel Tax Act

Tobacco Tax Act
(R.S.Q., c. I-2, s. 19)

Licenses Act
(R.S.Q., c. L-3, s. 5, 1st par., subpar. *d*; 1995, c. 63, s. 264)

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

An Act respecting the Québec sales tax
(R.S.Q., c. T-0.1, s. 677, 1st par.; 1995, c. 1, s. 349; 1995, c. 63, s. 509)

Fuel Tax Act
(R.S.Q., c. T-1, s. 2, 5th par., subpars. *a* and *b*, s. 10.3, 1st par., s. 18, s. 27, par. *d*, s. 32.1, 3rd par., s. 50.12, s. 51.1, 2nd par.; 1995, c. 1, s. 350; 1995, c. 63, ss. 514, 517, 522, 526 and 527; 1995, c. 65, ss. 126, 128 and 137)

Regulation to amend the Regulation respecting the application of the Tobacco Tax Act

1. The Regulation respecting the application of the Tobacco Tax Act, made by Order in Council 1929-86 dated 16 December 1986 and amended by the Regula-

tions made by Orders in Council 1657-91 dated 4 December 1991, 179-92 dated 12 February 1992 and 273-94 dated 16 February 1994, is further amended by inserting the following after section 11:

“**11.1** For the purposes of the second paragraph of section 13.4.3 of the Act,

(*a*) the costs of seizure correspond to the actual cost incurred for removing, towing or transporting the seized vehicle to the storage location;

(*b*) the costs of preservation are fixed, as the case may be,

i. at \$6 per day where the seized vehicle is in the custody of a person designated for that purpose by the Minister and with whom the Minister has entered into an agreement for the storage or custody of seized vehicles, except where the seized vehicle occupies an area greater than 16.5 square metres, in which case an amount of \$0.50 shall be added by occupied square metre or part thereof in excess of that area of 16.5 square metres;

ii. at the actual cost, where the seized vehicle is temporarily in the custody of a person designated for that purpose by the Minister where custody of the seized vehicle may not be immediately entrusted to a person contemplated in subparagraph *i*;

(*c*) payment of a deposit to the Minister of Revenue may be made by means of a postal money order, a certified check made out to the Minister or another instrument of payment providing the same guarantees to the Minister, as well as by means of a transfer of funds into an account held by the Minister in a financial institution.

11.2 For the purposes of sections 13.4.3 and 13.5 of the Act, the Assistant Director General of the Direction principale des enquêtes in the Direction générale de la vérification et des enquêtes is authorized to keep the deposits paid in accordance with those sections. They shall be deposited into a trust account opened for that purpose by that person in a financial institution.

11.3 For the purposes of the second paragraph of section 13.7.1 and of the first paragraph of section 15.1 of the Act,

(*a*) the costs of seizure correspond,

i. in the case of a vehicle, to those provided for in paragraph *a* of section 11.1;

ii. in the case of a thing other than a vehicle, to the actual cost incurred for removing it and transporting it to the storage location;

(b) the costs of preservation are fixed,

i. in the case of a vehicle, to those provided for in paragraph *b* of section 11.1;

ii. in the case of a thing other than a vehicle, to \$1 per day for each occupied square metre or part thereof.”.

Regulation to amend the Regulation respecting the application of the Licenses Act

2. The Regulation respecting the application of the Licenses Act (R.R.Q., 1981, c. L-3, r. 1), amended by the Regulations made by Orders in Council 1677-82 dated 7 July 1982 (Suppl., p. 870), 576-83 dated 23 March 1983 and 2272-84 dated 11 October 1984, 741-91 dated 29 May 1991, is further amended by revoking section 8.

3. 1. The following is substituted for section 9:

“9. For the purposes of section 79.11 of the Act:

(a) the average sale price mentioned in subparagraph *c* of the first paragraph is 0.2501 of a cent per millilitre;

(b) the average sale price mentioned in subparagraph *e* of the first paragraph is 1.2 cents per millilitre.”.

2. Subsection 1 has effect since 5 July 1996.

4. 1. The Regulation is amended by adding the following:

“DIVISION III REDUCTION OF THE SPECIFIC DUTY IN RESPECT OF BEER

Persons referred to

10. For the purposes of the second paragraph of section 79.11 of the Act, a person is a person referred to at a particular time if the total number of millilitres of beer sold in Québec or outside Québec, in the calendar year preceding that time, by the person and, where applicable, any of the following persons, does not exceed 20 000 000 000:

(a) where the person is a corporation resulting from the amalgamation of two or more corporations that is in its first year of operation at that time, each amalgamated corporation;

(b) an associate of the person, or another person whose business the person continues to carry on within the meaning of the next to last paragraph of section 550 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, c. 63).

For the purposes of the first paragraph, a person is associated with another person if he is so associated by reason of sections 21.4 and 21.20 to 21.25 of the Taxation Act (R.S.Q., c. I-3).

Reduction

11. For the purposes of the second paragraph of section 79.11 of the Act, the percentage is, as the case may be,

(a) 50 %, from the first to the 2 500 000 000th millilitre of beer sold or made in a particular calendar year by the person referred to in section 10;

(b) 25 %, from the 2 500 000 001st to the 5 000 000 000th millilitre of beer sold or made in a particular calendar year by the person referred to in section 10.

Terms and conditions

12. For the purposes of the second paragraph of section 79.11 of the Act, the terms and conditions are the following:

(a) only millilitres in respect of which a specific duty, or a specific tax imposed under Title II of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1), is payable shall be considered for the purposes of section 11;

(b) where a specific tax is payable pursuant to section 488 or 489 of the Act respecting the Québec sales tax, a millilitre shall be considered for the purposes of section 11 only at the time that tax is payable.”.

2. Subsection 1 has effect in respect of a sale made after 9 May 1995.

Regulation respecting fiscal administration

5. 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 inserting the following before section 96R15:

“**96R14.1.** In this section and in sections 96R14.2 and 96R14.3,

“Indian” has the meaning assigned to it by the Indian Act (Revised Statutes of Canada, 1985, c. I-5);

“person of Indian descent” means a person whose mother or father is an Indian and who usually resides in or holds office or employment on an Indian territory;

“prescribed person” means a band within the meaning of subsection 1 of section 2 of the Indian Act and a designated corporation within the meaning of section 2 of the Indians and Bands on certain Indian Settlements Remission Order, made by Order in Council P.C. 1992-1052 of 14 May 1992, as amended by Order in Council P.C. 1994-2096 dated 14 December 1994, under the Financial Administration Act (Revised Statutes of Canada, 1985, c. F-11);

“reserve” has the meaning assigned to it by subsection 1 of section 2 of the Indian Act;

“Indian territory” means the Indian settlements of Hunter’s Point, Kitcisakik (Grand-Lac-Victoria), Pakuashipi and Winneway and an Indian settlement, within the meaning of section 2 of the Indians and Bands on certain Indian Settlements Remission Order, located in Québec.

96R14.2. Remittance shall be made of an amount on account of the tax paid or payable under Title I of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1) by an individual who is an Indian or a person of Indian descent and who is the acquirer of a taxable supply, which amount shall be equal to any amount by which the tax paid or payable by him exceeds the tax that would have been payable by him if the Indian territories had been reserves.

96R14.3. Remittance shall be made of an amount on account of the tax paid or payable under Title I of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1) by a person who is a prescribed person and who is the acquirer of a taxable supply, which amount shall be equal to any amount by which the tax paid or payable by him exceeds the tax that would have been payable by him if the Indian territories had been reserves.”.

2. Subsection 1 has effect in respect of the tax paid or payable since 1 January 1991, except section 96R14.2 made by it, which has effect in respect of the tax paid or payable since 1 July 1992. Notwithstanding the foregoing, for the period from 1 January 1991 to 30 June 1992, section 96R14.3 made by subsection 1 shall be read as follows:

“**96R14.3.** Remittance shall be made of an amount on account of the tax paid or payable under the Retail Sales Tax Act (R.S.Q., c. I-1) by a person who is a prescribed person, other than a band, in respect of the purchase of movable property, which amount shall be equal to any amount by which the tax paid or payable by him exceeds the tax that would have been payable by him if the Indian territory composed of the Oujé-Bougoumou settlement had been a reserve.”.

Regulation respecting the Québec sales tax

6. 1. The Regulation respecting the Québec sales tax, made by Order in Council 1607-92 dated 4 November 1992 and amended by the Regulations made by Orders in Council 21-95 dated 11 January 1995 and 1108-95 dated 16 August 1995, is further amended by substituting the following for paragraph 2 of the first paragraph of section 1R3:

“(2) a person closely related to a person at risk, where the recipient of the service is neither the person at risk nor a person closely related to the person at risk;”.

2. Subsection 1 has effect from 2 June 1993.

7. 1. Sections 17.2R1 to 17.2R5 are revoked.

2. Subsection 1 has effect in respect of the bringing in of a road vehicle by a registrant after 31 July 1995 where the registrant would be entitled to request a refund of the input tax if he was paying a tax in respect of the vehicle thus brought in and, in all other cases, in respect of the bringing in of a road vehicle after 30 March 1997.

8. 1. Section 38R1 is revoked.

2. Subsection 1 has effect since 1 July 1992.

9. 1. The following section is inserted before the heading preceding section 52R1:

“**41.6R1.** For the purposes of section 41.6 of the Act, the registrants listed in Schedule 1 are the prescribed registrants.”

2. Subsection 1 has effect since 1 July 1992.

10. 1. The following is inserted after paragraph 1 of section 52R1:

“(1.1) section 1129.29 of the Taxation Act (R.S.Q., c. I-3);”

2. Subsection 1 has effect in respect of the transfer of an immovable made after 8 October 1993.

11. 1. The following is substituted for the part preceding paragraph 1 of section 117R1:

“**117R1.** For the purposes of section 117 of the Act, the following services, except those that are related to the provision of surgical or dental services performed for cosmetic rather than medical or reconstruction purposes, are prescribed services:”

2. Subsection 1 has effect from 1 July 1992.

12. 1. Section 129R1 is revoked.

2. Subsection 1 has effect since 1 July 1992.

13. 1. Section 288.2R1 and 288.2R2 are revoked.

2. Subsection 1 has effect in respect

(a) of a road vehicle used by a registrant that is a small or medium-sized business after 31 July 1995 for a purpose not included in the definition of the expression “non-taxable supply”, as it read before being struck out by section 299 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, c. 63);

(b) of a road vehicle used by a registrant that is a large business after 30 March 1997 for a purpose not included in the definition of the expression “non-taxable supply”, as it read before being struck out by section 299 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions.

3. For the purposes of subsection 2, a person is a small or medium-sized business where the total of all the amounts each of which is the value of the consideration, other than the consideration referred to in section 75.2 of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1) that is attributable to the goodwill of a business, that became due in the last fiscal period ending before 1 August 1995 of the person, of an associate of the person or of another person whose business the person continues to carry on, or that was paid in that fiscal period without having become due, to the person, the associate of the person or the other person, for taxable or non-taxable supplies, other than supplies of financial services and supplies by way of sale of immovables that are capital property of the person, associate or other person, made in Québec or outside Québec but in Canada by the person, associate or other person as well as for taxable or non-taxable supplies made outside Canada through a permanent establishment situated in Canada of one of those persons does not exceed \$6 000 000.

However, where a person becomes a registrant after 1 August 1995, the total of the amounts determined under the first paragraph for the person is deemed to be nil for the purposes of computing the total of the amounts determined under that paragraph, except where

(1) the person is a corporation resulting from the amalgamation of two or more corporations;

(2) the person who carries on the business does not reside in Québec.

In the case of a person referred to in subparagraph 1 or 2 of the second paragraph, the first paragraph applies by replacing therein the word “person” by

(1) “amalgamated corporations”, if the person is a person resulting from the amalgamation of two or more corporations; or

(2) “person not residing in Québec” where the person who carries on the business is not a resident of Québec.

In the case of a person referred to in subparagraph 1 of the second paragraph who becomes a registrant on or before 1 August 1995, the first paragraph applies by substituting “amalgamated corporations” for the expression “person” if, as the case may be:

(1) the last fiscal period of the person ending before 1 August 1995 is his only fiscal period;

(2) the first fiscal period of the person ends on or after 1 August 1995.

The last 2 paragraphs of section 550 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, c. 63) apply to the first paragraph, adapted as required.

4. For the purposes of subsection 2, a person is a large business where the total of the amounts determined under subsection 3 exceeds \$6 000 000.

Notwithstanding subsection 3, in addition to a person referred to in the first paragraph, a large business includes the following persons:

(1) a bank;

(2) a corporation authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Canada to operate a business that consists in offering to the public its services as a trustee;

(3) a credit union;

(4) an insurer;

(5) the segregated fund of an insurer;

(6) the Régie de l'assurance-dépôts du Québec or the Canadian Deposit Insurance Corporation;

(7) an investment plan;

(8) a person related to a financial institution referred to in subparagraphs 1 to 7.

14. 1. Section 332R2 is amended

(1) by substituting the following for subparagraph 1 of the first paragraph:

“(1) if each of the specified shares of the other corporation representing at least 50 % of the value and number of such shares is owned by a corporation referred to in subparagraph *a* or *b* and each of the specified shares of the other corporation representing at least 90 % of the value and number of such shares fulfils one of the following conditions:”;

(2) by substituting the following for subparagraph 2 of the first paragraph:

“(2) if the specified shares of the other corporation representing at least 90 % of the value and number of such shares are owned by one of the following persons:”.

2. Subsection 1 has effect since 2 June 1993.

15. 1. Sections 354R1 to 355R9 are revoked.

2. Subsection 1 has effect since 17 June 1994. Furthermore, the part of section 355R4 preceding paragraph 1 shall be read as follows:

(a) for the period from 1 July 1992 to 12 May 1994:

“**355R4.** Where the claimant provides the Minister with an original invoice or receipt, the rule consists in taking an amount equal to 4 % of the value of the consideration for the short-term accommodation, where the invoice or the receipt:”;

(b) for the period from 13 May 1994 to 16 June 1994:

“**355R4.** Where the claimant provides the Minister with an original invoice or receipt, the rule consists in taking an amount equal to 6.5 % of the value of the consideration for the short-term accommodation, where the invoice or the receipt:”.

16. 1. The following is substituted for section 386R1:

“**386R1.** For the purposes of section 386 of the Act, the property and services listed in sections 386R2 to 386R9 are prescribed property and services for determining the rebate payable to a person referred to as “the person” in those sections.”.

2. Subsection 1 has effect in respect of the tax that becomes payable after 31 July 1995 and that is not paid before 1 August 1995 in respect of the supply, or bringing into Québec, of property or a service.

17. 1. Sections 386R11 to 386R17 are revoked.

2. Subsection 1 has effect in respect of the tax that becomes payable after 31 July 1995 and that is not paid before 1 August 1995, except where it revokes section 386R15, in which case it has effect in respect of the tax that becomes payable in connection with the provision of a telecommunication service in respect of which no tax would be payable under section 80.2 of the Act respecting the Québec sales tax (R.S.Q., c. T-0.1) if it were not revoked by the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, c. 63).

3. In addition,

(1) section 386R13, revoked by subsection 1, shall be read as follows where it has effect since 1 July 1992, except where it has effect in respect of the tax that becomes payable after 9 May 1995 and that is not paid before 10 May 1995, in which case it shall be read disregarding the words “or non-propulsion”:

“**386R13.** Electricity (unless the person is the organizer or promoter of a convention and the electricity is acquired as a supply related to a convention), gas, fuel or steam is a prescribed property, except where the exemption provided for in paragraph *aa* of section 17 of the Retail Sales Tax Act (R.S.Q., c. I-1) would apply in respect of that property, were it not for section 49 of that Act.

For the purposes of the first paragraph, the expressions “sales of electricity, gas or fuel” and “other than meals and services including telephone service” in paragraph *aa* of section 17 of the Retail Sales Tax Act (R.S.Q., c. I-1) shall be read as “sales of electricity, gas, fuel or steam” and “other than meals, mobile homes and services including telephone service”. Furthermore, the expression “fuel” does not include fuel acquired, or brought into Québec, to supply a propulsion or non-propulsion engine.”;

(2) section 386R14, revoked by subsection 1, shall be read as follows where it has effect since 1 July 1992:

“**386R14.** A telephone service, other than a service acquired by the person if he is the organizer or promoter of a convention and the electricity is acquired as a supply related to a convention, is a prescribed service.”;

(3) section 386R15, revoked by subsection 1, shall be read by adding the following paragraph thereto where it has effect since 1 July 1992, except where it applies in respect of the tax that becomes payable or is paid before 10 May 1995, in which case it shall be read disregarding the words “or if the service is a 1 800 telephone service or another telecommunication service related to the 1 800 telephone service”:

“Notwithstanding the foregoing, the first paragraph does not apply if the person is the organizer or promoter of a convention and if the service is acquired as a supply related to a convention or if the service is a 1 800 telephone service or another telecommunication service related to the 1 800 telephone service.”;

(4) section 386R16, revoked by subsection 1, shall be read as follows where it has effect since 1 July 1992:

“**386R16.** Food, beverages or entertainment in respect of which section 421.1 of the Taxation Act (R.S.Q., c. I-3) applies, or would apply if the person were a taxpayer under that Act in a taxation year of that person, is a prescribed property or service.”.

18. 1. The following is substituted for clauses *a* and *b* of subparagraph 2 of the fourth paragraph of section 434R7:

“(a) the total of the considerations for the taxable supplies made in Québec by the registrant, other than designated supplies, supplies of financial services, selected supplies and supplies deemed to have been made under section 243 of the Act, that became due to the registrant or were paid to the registrant without becoming due, during the particular reporting period; and

(b) the amounts that became collectible and the amounts collected by the registrant during the particular reporting period as the tax provided for in section 16 of the Act in respect of taxable supplies made by the registrant, other than selected supplies and supplies deemed to have been made under sections 243 of the Act; and”.

2. Subsection 1 has effect since 1 August 1995.

19. The following is substituted for section 436R1:

“**436R1.** For the purposes of section 436 of the Act and where the election made in accordance with section 434 of the Act ceases to be in effect at a particular time, any input tax refund that a registrant would have been entitled to include in computing the net tax for a reporting period of the registrant ending at or before that time, if the registrant had applied for it in a return filed under Chapter VIII of Title I of the Act for such period, is a prescribed refund that the registrant may apply for in a return filed for a reporting period of the registrant ending after that time.”.

20. Section 442R5 is amended

(1) by substituting the following for clauses *i* and *ii* of subparagraph *a* of paragraph 7:

- “i. the tax that each member is required to remit;
- ii. the amount of the refund or rebate to which each member is entitled under the Act; and”;

(2) by substituting the following for clauses *i* and *ii* of subparagraph *b* of paragraph 7:

- “i. the name of each of the members entitled to a rebate or refund under the Act and the contents of each member’s direction;

ii. the name of each of the members who may reduce or offset the tax to be remitted by all or part of a refund or rebate, in accordance with a direction, and the amount of the reduction or offsetting; and”;

(3) by substituting the following for paragraph 8:

“(8) the coordinator shall remit, in respect of a reporting period, the amount of tax, where applicable, that each member is required to remit and, in a case where, in accordance with a direction, a member reduces or offsets the tax that he is required to remit by all or part of a refund or rebate, the amount of tax remittable after that reduction or offset.”.

21. 1. The following is inserted before section 473.1R1:

“**472R1.** For the purposes of section 472 of the Act, the Société de l’assurance automobile du Québec is a prescribed person where the tax is payable in respect of the supply of a road vehicle that must be registered under the Highway Safety Code (R.S.Q., c. C-24.2) following an application by its acquirer.

473R1. For the purposes of section 473 of the Act, the Société de l’assurance automobile du Québec is a prescribed person where the tax is payable in respect of the bringing in of a road vehicle that must be registered under the Highway Safety Code (R.S.Q., c. C-24.2) following an application by the person who brings the road vehicle into Québec.”.

2. Subsection 1 has effect since 1 July 1992.

22. 1. The following is inserted after section 473.1R1:

“REDUCTION OF THE SPECIFIC DUTY IN RESPECT OF BEER

Prescribed persons

489.1R1. For the purposes of section 489.1 of the Act, a person is a prescribed person at a particular time if the total number of millilitres of beer sold in Québec or outside Québec, in the calendar year preceding that time, by the person and, where applicable, either of the following persons, does not exceed 20 000 000 000:

(1) where the person is a corporation resulting from the amalgamation of two or more corporations that is in its first year of operation at that time, each amalgamated corporation;

(2) an associate of the person within the meaning of section 5 of the Act or another person whose business

the person continues to carry on within the meaning of the next to last paragraph of section 550 of the Act to amend the Taxation Act, the Act respecting the Québec sales tax and other legislative provisions (1995, c. 63).

Prescribed percentages

489.1R2. For the purposes of section 489.1 of the Act, the prescribed percentage is, as the case may be:

(1) 50 %, from the first to the 2 500 000 000th millilitre of beer sold or made in a particular calendar year by the prescribed person;

(2) 25 %, from the 2 500 000 001st to the 5 000 000 000th millilitre of beer sold or made in a particular calendar year by the prescribed person.

Prescribed terms and conditions

489.1R3. For the purposes of section 489.1 of the Act, the prescribed terms and conditions are the following:

(1) only millilitres in respect of which a specific tax, or a specific duty imposed under subparagraph *b* or *c* of the first paragraph of section 79.11 of the Licenses Act (R.S.Q., c. L-3), is payable shall be considered for the purposes of section 489.1R2;

(2) where the specific tax is payable pursuant to section 488 or 489 of the Act, a millilitre shall be considered for the purposes of section 489.1R2 only at the time that tax is payable.”.

2. Subsection 1 has effect in respect of a sale made after 9 May 1995.

23. The following is substituted for the heading preceding section 663R1:

“REFUND OF THE SALES TAX IN RESPECT OF A RESIDENTIAL BUILDING”.

24. 1. The following is substituted for the part preceding the heading PRESCRIBED REGISTRANTS in Schedule I;

“**SCHEDULE I**
(s. 41.6R1)”.

2. Subsection 1 has effect since 1 July 1992.

25. 1. Schedule II.1 is amended:

(1) by substituting \$17 389 525 for \$7 581 833 as the amount of the annual compensation for the municipality of Montréal;

(2) by substituting \$3 658 975 for \$1 595 313 as the amount of the annual compensation for the municipality of Québec.

2. Subsection 1 has effect in respect of the compensation paid for the year 1996.

Regulation respecting the application of the Fuel Tax Act

26. 1. The Regulation respecting the application of the Fuel Tax Act (R.R.Q., 1981, c. T-1, r. 1), amended by the Regulations made by Orders in Council 3470-81 dated 16 December 1981 (Suppl., p. 1230), 812-82 dated 8 April 1982 (Suppl., p. 1231), 267-83 dated 17 February 1983, 2173-83 dated 19 October 1983, 2717-83 dated 21 December 1983, 2848-84 dated 19 December 1984, 1656-86 dated 5 November 1986, 1933-86 dated 16 December 1986, 1832-87 dated 2 December 1987, 1876-87 dated 9 December 1987, 372-88 dated 16 March 1988, 1724-88 dated 16 November 1988, 743-91 dated 29 May 1991, 1656-91 dated 4 December 1991, 383-92 dated 18 March 1992, 945-92 dated 23 June 1992 and 1897-93 dated 15 December 1993, is further amended, in section 2R1,

(1) by inserting the following before paragraph *a*:

“(0.a) “designated region” means a region of Québec adjoining the Province of Ontario without being a border region, located in the southern part of the electoral divisions of Chapleau, Papineau and Argenteuil, as described in the Notice of the establishment of the list of electoral divisions published in the *Gazette officielle du Québec*, and whose boundaries are established as follows: westerly, by the border region located in the electoral division of Chapleau, northerly, up to a radius of 20 kilometres from route 148, easterly, by the border region located in the electoral division of Argenteuil and southerly, by rivière des Outaouais;”;

(2) by striking out the words “that is neither a peripheral region nor a specified region,” in paragraph *a*;

(3) by striking out the words “on 29 May 1985” in the part of paragraph *b* preceding subparagraph *i*; and

(4) by striking out the words “on 29 May 1985” in the part of paragraph *c* preceding subparagraph *i*.

2. Subsection 1 has effect from 1 July 1995.

27. 1. The following is inserted after section 2R2:

“**2R2.1** Where a person acquires fuel other than fuel oil mentioned in the first paragraph of section 2 of the Act, from a retail dealer who operates a fuel distribution establishment located in a designated region, the tax prescribed by that paragraph shall be reduced, per litre of fuel, by \$0.01 in the case of gasoline or \$0.005 in the case of propane gas.”.

2. Subsection 1 has effect from 1 July 1995.

28. 1. The following is substituted for sections 2R3 to 2R5:

“**2R3.** Where a person acquires fuel other than fuel oil mentioned in the first paragraph of section 2 of the Act from a retail dealer who operates a fuel distribution establishment located within a border region that is bordering and adjoining:

(a) Ontario, the tax prescribed by that paragraph shall be reduced, per litre of fuel, as follows:

i. by \$0.04 in the case of gasoline or by \$0.02 in the case of propane gas, if the establishment is located less than 5 kilometres from the point of contact;

ii. by \$0.03 in the case of gasoline or by \$0.015 in the case of propane gas, if the establishment is located at least 5 kilometres and less than 10 kilometres from the point of contact;

iii. by \$0.02 in the case of gasoline or by \$0.01 in the case of propane gas, if the establishment is located at least 10 kilometres and less than 15 kilometres from the point of contact; and

iv. by \$0.01 in the case of gasoline or by \$0.005 in the case of propane gas, if the establishment is located at least 15 kilometres and less than 20 kilometres from the point of contact;

(b) New Brunswick, Labrador or an American State, the tax prescribed by that paragraph shall be reduced, per litre of fuel, as follows:

i. by \$0.08 in the case of gasoline or by \$0.04 in the case of propane gas, if the establishment is located less than 5 kilometres from the point of contact;

ii. by \$0.06 in the case of gasoline or by \$0.03 in the case of propane gas, if the establishment is located at least 5 kilometres and less than 10 kilometres from the point of contact;

iii. by \$0.04 in the case of gasoline or by \$0.02 in the case of propane gas, if the establishment is located at least 10 kilometres and less than 15 kilometres from the point of contact; and

iv. by \$0.02 in the case of gasoline or by \$0.01 in the case of propane gas, if the establishment is located at least 15 kilometres and less than 20 kilometres from the point of contact.

Notwithstanding the foregoing, where the fuel distribution establishment is located within a border region that is comprised in a peripheral region or a specified region, the tax prescribed by the first paragraph of section 2 of the Act shall be reduced, per litre of gasoline or propane gas, by the amount prescribed by section 2R4 for that peripheral or specified region if the latter amount is greater than the amount determined under this section.

2R4. Where a person acquires fuel mentioned in the first paragraph of section 2 of the Act from a retail dealer who operates a fuel distribution establishment located in a peripheral region or where a person causes such fuel to be delivered to him by a retail dealer in a fixed storage tank located in a peripheral region, the tax prescribed by the paragraph shall be reduced, per litre of fuel,

(a) by \$0.0465, in the case of gasoline;

(b) by \$0.0382, in the case of fuel oil; and

(c) by \$0.0232, in the case of propane gas.

Where the fuel distribution establishment or the fixed storage tank is located in a specified region, the tax prescribed by that paragraph shall be reduced, per litre of fuel,

(a) by \$0.023, in the case of gasoline;

(b) by \$0.019, in the case of fuel oil; and

(c) by \$0.0115, in the case of propane gas.

2R5. Where a person acquires fuel mentioned in the first paragraph of section 2 of the Act from a retail dealer who operates a fuel distribution establishment that is neither located in a peripheral region nor in a specified region, or where a person causes such fuel to be delivered to him by a retail dealer in a fixed storage tank that is neither located in a peripheral region nor in a specified region, the tax prescribed by that paragraph shall be reduced as follows:

(a) per litre of gasoline:

i. by \$0.0465, if the establishment is located less than 5 kilometres from the boundaries of a peripheral region;

ii. by \$0.031, if the establishment is located at least 5 kilometres and less than 10 kilometres from the boundaries of a peripheral region;

iii. by \$0.017, if the establishment is located at least 10 kilometres and less than 15 kilometres from the boundaries of a peripheral region;

iv. by \$0.012, if the establishment is located less than 10 kilometres from the boundaries of a specified region; and

v. by \$0.002, if the establishment is located at least 15 kilometres and less than 20 kilometres from the boundaries of a peripheral region;

(b) per litre of propane gas:

i. by \$0.0232, if the establishment is located less than 5 kilometres from the boundaries of a peripheral region;

ii. by \$0.0155, if the establishment is located at least 5 kilometres and less than 10 kilometres from the boundaries of a peripheral region;

iii. by \$0.0085, if the establishment is located at least 10 kilometres and less than 15 kilometres from the boundaries of a peripheral region;

iv. by \$0.006, if the establishment is located less than 10 kilometres from the boundaries of a specified region; and

v. by \$0.001, if the establishment is located at least 15 kilometres and less than 20 kilometres from the boundaries of a peripheral region;

(c) per litre of fuel oil:

i. by \$0.0382, if the establishment is located less than 5 kilometres from the boundaries of a peripheral region;

ii. by \$0.026, if the establishment is located at least 5 kilometres and less than 10 kilometres from the boundaries of a peripheral region;

iii. by \$0.014, if the establishment is located at least 10 kilometres and less than 15 kilometres from the boundaries of a peripheral region;

iv. by \$0.01, if the establishment is located less than 10 kilometres from the boundaries of a specified region; and

v. by \$0.001, if the establishment is located at least 15 kilometres and less than 20 kilometres from the boundaries of a peripheral region.”

2. Subsection 1 has effect from 1 July 1995.

29. 1. Section 2R6 is revoked.

2. Subsection 1 has effect from 1 July 1995.

30. 1. The following is substituted for section 2R7:

“**2R7.** Sections 2R2.1 and 2R3 apply when fuel, except propane gas, is poured directly from the delivery nozzle of a fuel distribution appliance meeting the standards prescribed by the Petroleum Products Regulation, permanently and directly connected to an underground storage tank, into the tank supplying the engine of a motor vehicle, a machine or a piece of equipment or into a container holding not more than 205 litres.”

2. Subsection 1 has effect from 1 July 1995.

31. 1. Section 2R8 is amended:

(1) by substituting “and 2R5” for “to 2R6”;

(2) by substituting “Petroleum Products Regulation” for “Petroleum Products Trade Regulation”.

2. Subsection 1 has effect from 1 July 1995 in respect of paragraph 1.

32. 1. Section 10.1R3 is amended by substituting the following for the part preceding paragraph *a*:

“**10.1R3.** For the purposes of section 10.1 of the Act, “public transport” means:

(*a*) the transport by bus of persons and their luggage, where applicable, for direct or indirect remuneration, following a regular circuit and in accordance with a definite schedule;

(*b*) the transport of handicapped persons and their luggage, where applicable, by buses intended for the transport of such persons, for direct or indirect remuneration.

Notwithstanding the foregoing, for the purposes of the first paragraph, the following activities are excluded:”

2. Subsection 1 has effect from 10 May 1995. In addition, it applies to applications for reimbursement filed with the Minister before 10 May 1995.

33. 1. The following is inserted after section 10.2R3:

“**10.3R1.** For the purposes of section 10.3 of the Act, the person referred to in that section shall file with his application, for the period covered by the application and in respect of every person holding a collection officer’s permit from whom he acquired fuel, a copy of the first and last invoice for the purchase of fuel and the statements of account remitted by every person holding a collection officer’s permit. He must also file a copy of the first and last invoice for the sale of fuel that he made during that period. The invoices shall indicate:

(*a*) the date of the transaction;

(*b*) the name and address of the purchaser and of the seller;

(*c*) the type of fuel, the price, the tax or the amount equal to the tax applicable;

(*d*) the quantity of fuel measured at the reference temperature of 15 degrees Celsius and the quantity of fuel measured at ambient temperature.

Reimbursement shall be applied for within 12 months of the date of purchase of the fuel.

10.4R1. For the purposes of section 10.4 of the Act, the person referred to in that section shall file with his application, for the period covered by the application and in respect of every person holding a collection officer’s permit, the original of each invoice for the purchase of gasoline. Those invoices shall indicate:

(*a*) the date of the transaction and the place where the gasoline is delivered to the purchaser;

(*b*) the name and address of the purchaser and of the seller;

(*c*) the type of fuel, the price and the tax collected.

Reimbursement shall be applied for within 12 months of the date of purchase of the fuel.

10.5R1. For the purposes of section 10.5 of the Act, the person referred to in that section shall file with his application, for the period covered by the application and in respect of every person holding a collection officer’s permit from whom he acquired fuel, the original of each invoice for the purchase of fuel. He shall also

file the original of each invoice for the sale of fuel made during that period. Those invoices shall indicate:

(a) the date of the transaction and the place where the fuel is delivered to the purchaser;

(b) the name and address of the purchaser and of the seller;

(c) the type of fuel, the price, the tax or the amount referred to in section 51.1 of the Act that was collected.

Reimbursement shall be applied for within 12 months of the date of purchase of the fuel.”

2. Subsection 1 has effect:

(a) from 10 May 1995 in respect of section 10.3R1;

(b) from 1 January 1996 in respect of sections 10.4R1 and 10.5R1.

34. 1. The following is substituted for section 18R3:

“**18R3.** The colouring shall be effected by adding to the fuel oil a mixture composed of 1 part of colouring agent, containing a red tincture, a tracer and aromatic solvents, and of 12 parts of fuel oil, in a proportion of 182 litres of the mixture for each million litres of fuel oil.

The colouring of fuel oil may also be effected by adding to the fuel oil the colouring agent referred to in the first paragraph in a proportion of 14 litres of colouring agent for each million litres of fuel oil.

Notwithstanding the foregoing, where the fuel oil is coloured in accordance with section 18R6, the colouring shall be effected in the manner prescribed in the first paragraph.”

2. Subsection 1 has effect from 1 November 1996. Notwithstanding the foregoing, for the period beginning on 1 November 1996 and ending on 31 December 1997, the colouring of fuel oil may also be done by means of the colouring agent prescribed in the first and second paragraphs of section 18R3 as it read before its replacement by subsection 1.

35. 1. The following is substituted for sections 18R6 to 18R8:

“**18R6.** Colouring at the tank truck loading racks is effected by means of an injection system equipped with an automatic cut-off device designed to prevent the delivery of non-coloured fuel oil in case of a defect in the system.

18R7. The fuel oil delivery system at the tank truck loading racks shall comprise separate loading spouts for coloured fuel oil in accordance with the first paragraph of section 18R3 and non-coloured fuel oil, and each spout shall be equipped with a meter.

Notwithstanding the foregoing, a fuel oil delivery system may include only one loading spout for coloured fuel oil and non-coloured fuel oil where it meets the following conditions:

(a) the loading spout shall be designed or equipped so that it may be cleaned by means of a sufficient quantity of non-coloured fuel oil at the end of each delivery of fuel oil and it shall be used for the delivery of fuel oil only;

(b) the delivery system shall be equipped with a meter allowing to distinguish between deliveries of coloured fuel oil and deliveries of non-coloured fuel oil.

18R8. Where the colouring agent is not kept in a fixed storage tank, the holder of a colouring permit shall keep the mixture referred to in the first paragraph of section 18R3 or the colouring agent referred to in the second paragraph of that section in a sealed container placed in premises situated close to the place where the colouring of fuel oil is done; he is responsible for the colouring agents and shall ensure that they are used for no purpose other than the colouring of fuel oil under section 18 of the Act.

In addition, the colouring agent referred to in the second paragraph of section 18R3 shall be kept at all times at a temperature higher than -20 degrees Celsius.”

2. Subsection 1 has effect from 1 November 1996.

36. 1. The following paragraph is added in section 18R9:

“Where the equipment includes an injection system, the system shall be installed so that it may be easily accessible for maintenance or inspection purposes.”

2. Subsection 1 has effect in respect of an injection system installed from 1 November 1996.

37. 1. The following is substituted for section 18R10:

“**18R10.** Before commencing the colouring of fuel oil, the holder of a permit for such purpose shall submit to the Minister a plan of the projected equipment and installations for the colouring of fuel oil. He shall also submit to him, before any change in the existing colouring equipment and installations, a plan of the projected changes.”

2. Subsection 1 has effect from 1 November 1996.

38. The following is substituted for the first paragraph of section 27R1:

“**27R1.** A storer shall be exempt from the requirement of holding a storer’s permit where:

(a) his sole activity is the operation of a filling station and he does not own the fuel retailed therein;

(b) the fuel stored is coloured fuel oil intended solely for the storer’s agricultural operations and is contained in a receptacle whose capacity does not exceed 2 300 litres; or

(c) he stores propane gas only.”.

39. The following is inserted after section 32.1R1:

“**32.1R2.** For the purposes of section 32.1 of the Act, persons who transport bulk propane gas constitute a class of persons exempted from the obligation to draw up or to cause to be drawn up a manifest or way-bill in respect of the bulk transport of propane gas.”.

40. 1. The following is inserted before Division V:

**“DIVISION V.1
INTERNATIONAL FUEL TAX AGREEMENT**

50.02R1. For the purposes of Division IX.1 of the Act and of this Division, the expression “base jurisdiction” means:

(a) the jurisdiction where the carrier has his principal establishment; or

(b) the jurisdiction where the carrier’s motor vehicle referred to in section 50.12R1 is most frequently assigned, stored, repaired or in any other manner controlled.

50.02R2. For the purposes of subparagraph *i* of paragraph *d* of the definition of the term “carrier” provided for in section 50.02 of the Act, a prescribed person is a person who, as the case may be:

(a) uses solely, to transport goods or passengers in Québec and outside Québec, a motor vehicle other than a motor vehicle referred to in section 50.12R1; or

(b) is the other party who is not referred to by any paragraph of section 50.02R3.

50.02R3. For the purposes of subparagraph *ii* of paragraph *d* of the definition of the term “carrier” provided

for in section 50.02 of the Act, a prescribed person is a person whose base jurisdiction is a jurisdiction participating in the International Agreement and who is, as the case may be:

(a) the party to a written contract for the rental of a motor vehicle with chauffeur or a contract for transport carried out by a subcontractor, other than a moving contract, of a term of 30 days and over, for which a motor vehicle referred to in section 50.12R1 is used, in Québec and outside Québec, and to whom under such contract is given the responsibility of obtaining the licence referred to in Division IX.1 of the Act;

(b) the party who grants to a person authorization to use, to transport goods other than those covered by a moving contract or a contract to transport passengers, in Québec and outside Québec, a motor vehicle referred to in section 50.12R1 for a term of 29 days or less except in the case of a rental contract without chauffeur service if he holds:

i. a written contract for rental that designates the lessee as the party responsible for the payment of the taxes; and

ii. a copy of the licence of the lessee referred to in Division IX.1 of the Act, valid for the entire rental term;

(c) the party who, in his quality as independent contractor, agent or service representative, grants to a person within the scope of a moving contract authorization to use to transport goods in Québec and outside Québec, a motor vehicle referred to in section 50.12R1 with chauffeur, if the motor vehicle is operated in its base jurisdiction.

50.07R1. For the purposes of section 50.07 of the Act, the following fees are the prescribed fees:

(a) in the case of a licence, \$50;

(b) in the case of a decal, \$5.

50.07R2. For the purposes of section 50.07 of the Act, the following conditions are the prescribed conditions:

(a) Québec shall be the base jurisdiction of the carrier;

(b) the carrier shall not hold a licence referred to in Division IX.1 of the Act issued by an authorized person of another jurisdiction that participates in the International Agreement for a motor vehicle referred to in section 50.12R1 of a same fleet;

(c) no amount of fuel tax, penalties or interest on such amount shall be owed to the Minister by the carrier;

(d) all the operating registers shall be kept or may be consulted, for auditing purposes, within the jurisdiction of Québec;

(e) the carrier shall not have held a licence that is still suspended;

(f) the application shall not contain false statements.

50.08R1. For the purposes of section 50.08 of the Act, the prescribed manner, terms and conditions consist in displaying in full view on the outer part of each of the two doors of a motor vehicle referred to in section 50.12R1 or near those doors, a decal in force issued under section 50.06 of the Act.

50.09R1 For the purposes of section 50.09 of the Act, the following conditions constitute the prescribed conditions:

(a) an application for a certificate for occasional trips shall be made by means of the form prescribed by the Minister and containing the information referred to in paragraph *b*;

(b) the following information shall be provided:

- i. the carrier's identification;
- ii. the description of the motor vehicle referred to in section 50.12R1 used to make the trip;
- iii. the itinerary of the trip in Québec.

50.09R2. For the purposes of section 50.09 of the Act, the prescribed fees are \$0.15 per kilometre to be travelled in Québec according to the itinerary mentioned in subparagraph *iii* of paragraph *b* of section 50.09R1 with a minimum of \$75.

50.09R3. For the purposes of section 50.09 of the Act, the prescribed manner consists in keeping the certificate for occasional trips for the term of the stay in the motor vehicle referred to in section 50.12R1 for which it was issued.

50.10R1. For the purposes of section 50.10 of the Act, the prescribed fees are \$0.15 per kilometre travelled or to be travelled in Québec according to the itinerary mentioned in section 50.10 of the Act with a minimum of \$75.

50.11R1. For the purposes of paragraph *c* of section 50.11 of the Act, a prescribed person is the other party who is not referred to in any paragraph of section 50.02R3.

50.12R1. For the purposes of sections 50.03, 50.04, 50.05, 50.06, 50.08 and 50.11 of the Act, the motor vehicles that constitute prescribed motor vehicles are motor vehicles, other than those not used for commercial purposes and used exclusively for recreational purposes by a person, which are used, designed or maintained to transport passengers or goods and which, as the case may be:

(a) have two axles and whose gross weight is greater than 11 797 kilograms;

(b) have three axles or more, whatever their weight;

(c) are used in combination with another motor vehicle and the gross weight of the combined motor vehicles is greater than 11 797 kilograms.

For the purposes of the first paragraph, the term "gross weight" means the weight of a motor vehicle and of its load or its load capacity."

2. Subsection 1 has effect from 1 January 1996.

41. 1. The following Division is inserted before Division V:

"DIVISION IV.1

REDUCTION OF THE AMOUNT EQUAL TO THE TAX

51.1R1. For the purposes of the second paragraph of section 51.1 of the Act, where a person holding a collection officer's permit delivers or causes to be delivered fuel, other than fuel oil, mentioned in the first paragraph of section 2 of the Act, in a fixed storage tank of a fuel distribution establishment located in a designated region or in a border region, the amount prescribed by the first paragraph of section 51.1 of the Act shall be reduced, for each litre of that fuel, in the case of a designated region, by an amount equal to the amount prescribed by section 2R2.1 and, in the case of a border region, by an amount equal to the amount prescribed by section 2R3 according to the place where that establishment is located.

Notwithstanding the foregoing, where the fuel distribution establishment is located in a border region that is comprised in a peripheral or specified region, the amount prescribed by the first paragraph of section 51.1 of the Act shall be reduced, for each litre of fuel other than fuel

oil, by the amount prescribed by section 51.1R2 for that peripheral or specified region if the latter is greater than the amount determined under the first paragraph.

51.1R2. For the purposes of the second paragraph of section 51.1 of the Act, where a person holding a collection officer's permit delivers or causes to be delivered fuel mentioned in the first paragraph of section 2 of the Act, in a fixed storage tank of a fuel distribution establishment located in a peripheral or specified region, the amount prescribed by the first paragraph of section 51.1 of the Act shall be reduced, for each litre of that fuel, by an amount equal to the amount prescribed by section 2R4, according to the region where that establishment is located.

51.1R3. For the purposes of the second paragraph of section 51.1 of the Act, where a person holding a collection officer's permit delivers or causes to be delivered fuel mentioned in the first paragraph of section 2 of the Act, in a fixed storage tank of a fuel distribution establishment that is located neither in a peripheral region nor in a specified region, the amount prescribed by the first paragraph of section 51.1 of the Act shall be reduced, for each litre of that fuel, by an amount equal to the amount prescribed by section 2R5, according to the place where that establishment is located.”.

2. Subsection 1 has effect from 1 January 1996.

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