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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-NINTH LEGISLATURE

## Bill 37

(2009, chapter 15)

### **An Act giving effect to the Budget Speech delivered on 13 March 2008 and to certain other budget statements**

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**Introduced 7 May 2009  
Passed in principle 21 May 2009  
Passed 3 June 2009  
Assented to 4 June 2009**

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## EXPLANATORY NOTES

*This Act amends various legislation to give effect to the budgetary measures announced, for the most part, in the Budget Speech delivered on 13 March 2008 and in Information Bulletins published by the Ministère des Finances in 2006, 2007 and 2008.*

*It amends the Tobacco Tax Act to enhance certain anti-tobacco smuggling measures and to improve the tobacco tax collection system in respect of cigars.*

*It amends the Taxation Act to introduce, amend or abolish a number of fiscal measures specific to Québec. More specifically, the amendments deal with*

*(1) the improvement of tax assistance for people who wish to become parents;*

*(2) the enhancement of the refundable tax credit for child care expenses;*

*(3) the improvement of tax assistance for retirees;*

*(4) the simplification and improvement of tax assistance for home support for the elderly;*

*(5) the introduction of a refundable tax credit for respite expenses incurred by informal caregivers;*

*(6) the implementation of two new refundable work incentive tax credits;*

*(7) the enhancement of the refundable tax credit for on-the-job training periods;*

*(8) the introduction of a refundable tax credit for francization in the workplace;*

*(9) the introduction of a refundable tax credit for workforce skills development in the manufacturing sector;*

*(10) the improvement of tax assistance for scientific research and experimental development;*

(11) *an increase in the refundable tax credit for film production services;*

(12) *the introduction of a refundable tax credit for the development of e-business;*

(13) *the introduction of a tax credit for investments relating to manufacturing and processing equipment; and*

(14) *the elimination of the tax on capital for manufacturing corporations.*

*This Act amends the Act respecting the Ministère du Revenu to facilitate the application of fiscal laws.*

*It amends the Act respecting the Régie de l'assurance maladie du Québec to increase the exemptions granted for determining premiums under the Québec prescription drug insurance plan.*

*It also amends the Taxation Act to make amendments similar to those made to the Income Tax Act of Canada by Bill C-294 (Statutes of Canada, 2007, chapter 16), assented to on 22 June 2007, Bill C-28 (Statutes of Canada, 2007, chapter 35), assented to on 14 December 2007, and Bill C-50 (Statutes of Canada, 2008, chapter 28), assented to on 18 June 2008. This Act thus gives effect to harmonization measures announced, for the most part, in the Budget Speeches delivered on 24 May 2007 and 13 March 2008 and in Information Bulletin 2007-10 published by the Ministère des Finances on 20 December 2007. More specifically, the amendments deal with*

(1) *the introduction of a tax-free savings account;*

(2) *the implementation of the non-taxable status of certain allowances for board and lodging for young athletes;*

(3) *the implementation of the registered disability savings plan;*

(4) *the raising of the ceiling on the lifetime capital gains exemption;*

(5) *the deduction relating to truck drivers' meal expenses; and*

(6) *the fiscal treatment of donations of medicines by corporations to developing countries.*

*In addition, this Act amends the Act respecting the Québec sales tax to make amendments similar to those made to the Excise Tax Act by Bill C-28 and Bill C-50. This Act thus gives effect to harmonization measures announced, for the most part, in the Budget Speeches delivered on 24 May 2007 and 13 March 2008. More specifically, the amendments deal with*

*(1) input tax refunds that may be claimed by truck drivers for QST paid on their meal expenses;*

*(2) QST relief in respect of amounts paid to gain access to land for the purpose of producing wind or solar energy;*

*(3) the broadening of the QST rebate for new residential rental property to include long-term residential care facilities that provide services;*

*(4) the exemption of various health services and training services specially designed to assist individuals in coping with the effects of a disorder or disability; and*

*(5) the zero-rating of certain drugs and medical devices.*

*Lastly, this Act amends other legislation to make various technical amendments as well as consequential and terminology-related amendments.*

#### **LEGISLATION AMENDED BY THIS ACT:**

- Act respecting international financial centres (R.S.Q., chapter C-8.3);
- Act to promote workforce skills development and recognition (R.S.Q., chapter D-8.3);
- Tobacco Tax Act (R.S.Q., chapter I-2);
- Taxation Act (R.S.Q., chapter I-3);
- Act respecting the application of the Taxation Act (R.S.Q., chapter I-4);
- Act respecting the Ministère du Revenu (R.S.Q., chapter M-31);
- Act respecting labour standards (R.S.Q., chapter N-1.1);

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- Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5);
  - Cooperative Investment Plan Act (R.S.Q., chapter R-8.1.1);
  - Act respecting property tax refund (R.S.Q., chapter R-20.1);
  - Act respecting the Québec sales tax (R.S.Q., chapter T-0.1);
  - Fuel Tax Act (R.S.Q., chapter T-1);
  - Act to amend the Taxation Act and other legislative provisions (2001, chapter 7);
  - Act to amend the Taxation Act and other legislative provisions (2004, chapter 8).



## Bill 37

### AN ACT GIVING EFFECT TO THE BUDGET SPEECH DELIVERED ON 13 MARCH 2008 AND TO CERTAIN OTHER BUDGET STATEMENTS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

**1.** (1) Section 4 of the Act respecting international financial centres (R.S.Q., chapter C-8.3) is amended

(1) by striking out “(chapter I-3)” in the definition of “business”;

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

““agreed proportion” has the meaning assigned by section 1.8 of the Taxation Act (chapter I-3);”.

(2) Subsection 1 has effect from 20 December 2006.

**2.** (1) Section 7.1 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph and subparagraph *a* of paragraph 25 of section 7, if any of the parties to a qualified international financial transaction is a partnership, the partnership must be considered, for the purpose of determining whether the parties are not dealing at arm’s length, to be a corporation all the voting shares in the capital stock of which are owned by each member of the partnership at the end of the fiscal period of the partnership in which the qualified international financial transaction is carried out, in a proportion equal to the agreed proportion in respect of the member for that fiscal period of the partnership.”

(2) Subsection 1 has effect from 20 December 2006.

**3.** (1) Section 51.1 of the Act is replaced by the following section:

**“51.1.** For the purposes of this chapter, the share of a member of a partnership in an amount, in relation to a fiscal period of the partnership, is equal to the agreed proportion of the amount in respect of that member for that fiscal period.”

(2) Subsection 1 has effect from 20 December 2006.

**4.** (1) The Act is amended by inserting the following sections after section 51.3:

**“51.4.** In this chapter, the following rules apply in respect of a person if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the person and a given partnership that operates an international financial centre in a given fiscal period of the given partnership:

(1) the person is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the person’s particular taxation year in which ends the fiscal period of the interposed partnership of which the person is directly a member, if

(a) the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

(b) the person is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph *a* at the end of the interposed partnership’s fiscal period in which the particular fiscal period ends; and

(2) for the purpose of determining the person’s share in an amount in respect of the given partnership for the given fiscal period, the agreed proportion in respect of the person for that fiscal period of the given partnership is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by

(a) if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership’s given fiscal period, or

(b) if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph 1 of which the interposed partnership is a member at the end of that particular fiscal period.

**“51.5.** Section 51.4 does not apply in respect of a person, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the person and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the person to be able to deduct,



under this chapter, in computing the person's taxable income for a taxation year or in computing the person's paid-up capital otherwise determined for a taxation year, an amount greater than the amount that the person could have so deducted for that taxation year, but for that interposition."

(2) Subsection 1 applies to a taxation year of a person that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Taxation Act (R.S.Q., chapter I-3) had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the person had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Taxation Act.

(3) However, when section 51.4 of the Act applies to a taxation year that ends before 20 December 2006,

(1) if the fiscal period of the partnership of which the person is a member that ends in the taxation year begins after 30 March 2004, the portion of paragraph 2 before subparagraph *a* is to be read as follows:

"(2) for the purpose of determining the person's share in an amount in respect of the given partnership for the given fiscal period, the proportion that the person's share of the income or loss of the given partnership for the given fiscal period is of the income or loss of that given partnership for that fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by";

(2) if the fiscal period of the partnership of which the person is a member that ends in the taxation year begins before 31 March 2004, the portion of paragraph 2 before subparagraph *a* is to be read as follows:

"(2) the person's share in an amount in respect of the given partnership for the given fiscal period is deemed to be equal to the proportion of that amount represented by the proportion obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by"; and

(3) the definition of "agreed proportion" in section 1.8 of the Taxation Act has effect for the purposes of paragraph 2 of that section 51.4.

(4) If subsection 1 applies to a taxation year of a person because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by

the person on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I or IV of the Taxation Act and despite sections 1010 to 1011 of that Act, such assessments or reassessments of the tax, interest and penalties payable by the person as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

#### ACT TO PROMOTE WORKFORCE SKILLS DEVELOPMENT AND RECOGNITION

**5.** (1) Section 11 of the Act to promote workforce skills development and recognition (R.S.Q., chapter D-8.3) is amended by replacing the first and second paragraphs by the following paragraphs:

“**11.** If the total of an employer’s eligible training expenditures applicable to a year is greater than the aggregate of the amount of the employer’s minimum participation set under section 3 for that year and, if applicable, the portion of those expenditures that is taken into account for the purpose of determining an amount that is deemed to be paid to the Minister of Revenue under Division II.5.1.1 or II.5.1.2 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act (chapter I-3), the excess amount is carried forward to the following year and becomes an eligible training expenditure for that following year.

If the business of an employer is transferred in a year to another employer following a winding-up to which Chapter VII of Title IX of Book III of Part I of the Taxation Act applies, the excess amount of the former employer is deemed to be an eligible training expenditure of the latter employer for the year.”

(2) Subsection 1 has effect from 24 November 2007. However, when the first paragraph of section 11 of the Act applies before 14 March 2008, it is to be read without reference to “or II.5.1.2”.

**6.** (1) Section 15 of the Act is amended by replacing “Title XXVII” by “Title XL”.

(2) Subsection 1 has effect from 4 March 2009.

**7.** (1) Section 16 of the Act is amended by replacing “Title XXVII” in the second paragraph by “Title XL”.

(2) Subsection 1 has effect from 4 March 2009.

#### TOBACCO TAX ACT

**8.** (1) Section 2 of the Tobacco Tax Act (R.S.Q., chapter I-2) is amended

(1) by striking out the definition of “offence against a fiscal law”;

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

““importer” means any person who brings or causes to be brought into Québec

(a) tobacco for sale or delivery; or

(b) raw tobacco for sale or delivery, or for the manufacture, production, mixing, preparation or packaging of tobacco intended for sale;”;

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

““taxable price” means the amount that corresponds to

(a) the retail sale price of a cigar, if the person who sells the cigar by retail sale also imported or manufactured it; and

(b) in any other case, the total of the purchase price of a cigar payable by the person who sells the cigar by retail sale and 20% of that purchase price;”;

(4) by replacing the definition of “raw tobacco” by the following definition:

““raw tobacco” means tobacco leaves that have not been processed beyond the drying stage, fragments of such tobacco leaves and tobacco designed to enter into the composition of tobacco intended for sale;”;

(5) by replacing “leaf tobacco or raw tobacco designed to enter into the composition of tobacco intended for sale” in the definition of “retail sale” by “raw tobacco”.

(2) Paragraph 3 of subsection 1 applies in respect of cigars sold or delivered after 31 January 2008, excluding any cigar that a person who sells cigars by retail sale, other than an importer, manufacturer or wholesale vendor, has in stock on that date.

**9.** (1) The Act is amended by inserting the following section after section 6.1:

**“6.1.1.** The Minister may require from any person who sells, delivers or causes to be delivered cigars to a retail vendor, as a condition of issue or continuance in force of a collection officer’s permit referred to in section 6, security of a value, in a form and under terms determined by the Minister.”

(2) Subsection 1 has effect from 1 February 2008.

**10.** Section 7.0.1 of the Act is amended by replacing “vendre ou livrer” in the French text by “vendre ni livrer” and by replacing “one of the permits provided for” by “the appropriate permit provided for”.

**11.** The Act is amended by inserting the following section after section 7.0.1:

**“7.0.2.** No person may purchase or take delivery of raw tobacco in Québec from a person who does not hold the appropriate permit provided for in section 6.”

**12.** The Act is amended by inserting the following section after section 7.1.1:

**“7.1.2.** No manufacturer may manufacture, produce, mix, prepare or package tobacco intended for sale for a person who does not hold the appropriate permit provided for in section 6.”

**13.** Section 7.10 of the Act is replaced by the following section:

**“7.10.** The storer, importer or carrier must keep a register, in the manner prescribed by regulation, setting out the handling of the stored raw tobacco or packages of tobacco, or the bringing into Québec of, or the deliveries made of, raw tobacco or packages of tobacco, as the case may be.

The storer, importer or carrier may be required, at the request of the Minister and on the form prescribed by the Minister, to report the quantities of raw tobacco or of packages of tobacco stored, brought into Québec, transported or delivered for the period determined by the Minister.”

**14.** (1) Section 8 of the Act is amended

(1) by striking out “and per cigar sold at a retail price of \$0.15 or less” in paragraph *a*;

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

“(c) 80% of the taxable price of any cigar; and”.

(2) Subsection 1 applies in respect of cigars sold or delivered after 31 January 2008, excluding any cigar that a person who sells cigars by retail sale, other than an importer, manufacturer or wholesale vendor, has in stock on that date.

**15.** (1) The Act is amended by inserting the following section after section 8:

**“8.1.** For the purpose of establishing the taxable price of a cigar, the Minister may set the purchase price of the cigar if the Minister considers that the purchase price is lower than a reasonable wholesale price or if the cigar is obtained without a purchase price.”

(2) Subsection 1 applies in respect of cigars sold or delivered after 31 January 2008, excluding any cigar that a person who sells cigars by retail sale, other than an importer, manufacturer or wholesale vendor, has in stock on that date.

**16.** (1) Section 9 of the Act is amended by adding the following paragraph:

“For the purposes of the first paragraph, in the case of cigars brought into Québec, the taxable price of a cigar is deemed to be equal to the value of the cigar within the meaning of section 17 of the Act respecting the Québec sales tax (chapter T-0.1).”

(2) Subsection 1 applies in respect of any cigar brought into Québec after 31 January 2008.

**17.** (1) Section 10 of the Act is amended by replacing “cigars sold at a sale price of \$0.15 or less each or cigarettes” in the second paragraph by “cigarettes”.

(2) Subsection 1 applies in respect of cigars sold or delivered after 31 January 2008, excluding any cigar that a person who sells cigars by retail sale, other than an importer, manufacturer or wholesale vendor, has in stock on that date.

**18.** Section 13.3 of the Act is amended by replacing “section 13.4” in the third paragraph by “section 40 or 40.1.0.1 of the Act respecting the Ministère du Revenu (chapter M-31)”.

**19.** Section 13.3.1 of the Act is amended by replacing “section 13.4” in the second paragraph by “section 40 or 40.1.0.1 of the Act respecting the Ministère du Revenu (chapter M-31)”.

**20.** Sections 13.4 to 13.8 of the Act are repealed.

**21.** Section 14.2 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) contravenes section 6, 7, 7.0.1, 7.0.2, 7.1.1, 7.1.2 or 7.9;”.

**22.** Section 15.1 of the Act is repealed.

**23.** (1) Section 17.2 of the Act is amended

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

“The requirement set out in the first paragraph does not apply in respect of

(a) tobacco sold or delivered by a collection officer if the collection officer is exempted from that requirement under an agreement entered into under section 17;

(b) tobacco in a package identified in accordance with section 13.1 if the delivery of the tobacco is made outside Québec for consumption outside Québec and is authorized under section 13.2; and

(c) cigars sold or delivered to a holder of a collection officer's permit.”;

(2) by adding the following paragraph after the fourth paragraph:

“In addition, the holder of a collection officer's permit who sells, delivers or causes to be delivered cigars to a retail vendor who does not hold a collection officer's permit shall, for each sale or delivery, give the retail vendor an invoice or any other document containing the information determined by regulation, that the retail vendor must keep with the retail vendor's other documents.”

(2) Subsection 1 applies in respect of any cigar sold or delivered after 31 January 2008.

**24.** (1) Section 17.5 of the Act is amended

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

“**17.5.** Every collection officer shall, on or before the fifteenth day of each month, report to the Minister, using the form prescribed by the Minister,

(a) on the total quantity of packages of tobacco purchased, sold and handled during the preceding month, by type of product and according to the identification of each package; and

(b) in respect of each customer and by sale price, on the total quantity of cigars sold or delivered during the preceding month for the purpose of resale and, if applicable, on the amount equal to the tax collected or to be collected.”;

(2) by inserting “or no cigar was sold or delivered during the month” after “month” in the second paragraph;

(3) by adding the following sentence at the end of the third paragraph: “However, that requirement does not apply in respect of the sales or deliveries of cigars.”

(2) Subsection 1 applies in respect of any cigar sold or delivered after 31 January 2008.

#### TAXATION ACT

**25.** (1) Section 1 of the Taxation Act (R.S.Q., chapter I-3), amended by section 6 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “or an interest therein of the taxpayer, but does not include” in the portion of the definition of “former business property” before paragraph *a* by “of the taxpayer, an interest in such property or a property that is the subject of a valid election referred to in subparagraph *c* of the first paragraph of section 96.0.2, but does not include”;

(2) by striking out “ou” at the end of paragraph *c* of the definition of “ancien bien d’entreprise” in the French text;

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

““tax-free savings account” or “TFSA” at any time means an arrangement accepted as such at that time by the Minister of National Revenue for the purposes of the Income Tax Act, in accordance with subsection 3 of section 146.2 of that Act;”;

(4) by striking out “(Lois révisées du Canada (1985), chapitre 1, 5<sup>e</sup> supplément)” in the definition of “fonds de revenu de retraite” in the French text;

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

““registered disability savings plan” has the meaning assigned by Title III.1 of Book VII;”;

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

““qualifying trust annuity” has the meaning assigned by section 21.43;”;

(7) by replacing the definition of “NISA Fund No. 2” by the following definition:

““NISA Fund No. 2” means the portion of a taxpayer’s net income stabilization account that is described in paragraph *b* of subsection 2 of section 8 of the Farm Income Protection Act and that can reasonably be considered to be attributable to a program that allows the funds in the account to accumulate;”.

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of a disposition or termination that occurs after 20 December 2002.

(3) Paragraphs 3 and 4 of subsection 1 apply from the taxation year 2009.

(4) Paragraphs 5 and 7 of subsection 1 apply from the taxation year 2008.

(5) Paragraph 6 of subsection 1 has effect from 1 January 1989.

**26.** Section 1.2 of the Act is amended by replacing the portion before paragraph *b* by the following:

**“1.2.** For the purposes of this Part, other than paragraph *a* of section 618, the following rules apply:

(a) if property is acquired in substitution for a particular property that is disposed of or exchanged and if subsequently, by one or more transactions, other property is acquired in substitution for that property or for property already acquired in substitution, any property so acquired is deemed to have been substituted for the particular property; and”.

**27.** Sections 5.1 and 5.2 of the Act are repealed.

**28.** (1) Section 7.18.1 of the Act, amended by section 22 of chapter 5 of the statutes of 2009, is again amended by inserting “sections 905.0.11 and 935.22,” after “898.1.1,”.

(2) Subsection 1 applies from the taxation year 2008. However, when section 7.18.1 of the Act applies to the taxation year 2008, it is to be read as if “sections 905.0.11 and 935.22,” was replaced by “section 905.0.11,”.

**29.** (1) Section 21.1 of the Act, amended by section 28 of chapter 5 of the statutes of 2009, is again amended by inserting “1029.8.36.166.49, 1029.8.36.166.50,” before “1029.8.36.171.3” in the first and fourth paragraphs.

(2) Subsection 1 has effect from 14 March 2008.

**30.** (1) Section 21.4.1 of the Act is amended by inserting “1029.8.36.166.49, 1029.8.36.166.50,” before “1029.8.36.171.3” in paragraph *b*.

(2) Subsection 1 has effect from 14 March 2008.

**31.** Section 21.20.2 of the Act is amended by replacing paragraph *e* by the following paragraph:

“(e) shares of the capital stock of a corporation that are owned or deemed under this section to be owned at any time by a partnership are deemed to be owned at that time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time;”.

**32.** (1) The Act is amended by inserting the following after section 21.42:

## “CHAPTER XVI

### “QUALIFYING TRUST ANNUITY

“**21.43.** A qualifying trust annuity with respect to a taxpayer means

(a) an annuity in respect of which the following conditions are met:

i. it is acquired after 31 December 2005,



ii. the annuitant is a trust that is, at the time the annuity is acquired, a lifetime benefit trust with respect to the taxpayer and the succession of an individual,

iii. it is for the life of the taxpayer (with or without a guaranteed period), or for a fixed term equal to 90 years minus the age in whole years of the taxpayer at the time it is acquired, and

iv. if it is with a guaranteed period or for a fixed term, it requires that, in the event of the death of the taxpayer during the guaranteed period or fixed term, any amounts that would otherwise be payable after the death of the taxpayer be commuted into a single payment;

(b) an annuity in respect of which the following conditions are met:

i. it is acquired after 31 December 1988,

ii. the annuitant is a trust under which the taxpayer is the sole person beneficially interested (determined without regard to any right of a person to receive an amount from the trust only on or after the death of the taxpayer) in amounts payable under the annuity,

iii. it is for a fixed term not exceeding 18 years minus the age in whole years of the taxpayer at the time it is acquired, and

iv. if it is acquired after 31 December 2005, it requires that, in the event of the death of the taxpayer during the fixed term, any amounts that would otherwise be payable after the death of the taxpayer be commuted into a single payment; and

(c) an annuity in respect of which the following conditions are met:

i. it is acquired after 31 December 2000 and before 1 January 2005 at a time at which the taxpayer was mentally or physically infirm, or in the year 2005 at a time at which the taxpayer was mentally infirm,

ii. the annuitant is a trust under which the taxpayer is the sole person beneficially interested (determined without regard to any right of a person to receive an amount from the trust only on or after the death of the taxpayer) in amounts payable under the annuity, and

iii. it is for the life of the taxpayer (with or without a guaranteed period), or for a fixed term equal to 90 years minus the age in whole years of the taxpayer at the time it is acquired.

For the purposes of the first paragraph, a trust is at a particular time a lifetime benefit trust with respect to a taxpayer and the succession of an individual if

(a) immediately before the death of the individual, the taxpayer

i. was both a spouse of the individual and mentally infirm, or

ii. was both a child or grandchild of the individual and dependent on the individual for support because of mental infirmity; and

(b) the trust is, at the particular time, a personal trust under which

i. no person other than the taxpayer may receive or otherwise obtain the enjoyment of, during the taxpayer's lifetime, all or part of the income or capital of the trust, and

ii. the trustees are empowered to pay amounts from the trust to the taxpayer, and are required—in determining whether to pay, or not to pay, an amount to the taxpayer—to consider the needs of the taxpayer, including the comfort, care and maintenance of the taxpayer.”

(2) Subsection 1 has effect from 1 January 1989.

**33.** (1) The Act is amended by inserting the following section after section 31:

**“31.1.** The amounts referred to in the fourth paragraph that are to be used for a taxation year subsequent to the taxation year 2007 are to be adjusted annually in such a manner that each amount used for that taxation year is equal to the total of the amount used for the preceding taxation year and the product obtained by multiplying that latter amount by the factor determined by the formula

$(A/B) - 1$ .

In the formula in the first paragraph,

(a) A is the overall average Québec consumer price index without alcoholic beverages and tobacco products for the 12-month period that ended on 30 September of the taxation year preceding that for which an amount is to be adjusted; and

(b) B is the overall average Québec consumer price index without alcoholic beverages and tobacco products for the 12-month period that ended on 30 September of the taxation year immediately before the year preceding that for which the amount is to be adjusted.

If the factor determined by the formula in the first paragraph has more than four decimal places, only the first four decimal digits are retained and the fourth is increased by one unit if the fifth is greater than 4.

The amounts to which the first paragraph refers are

- (a) the amount of \$300 mentioned in paragraph *e.1* of section 39;
- (b) the amount of \$1,000 mentioned in section 39.6;
- (c) the amount of \$1,000 mentioned in subparagraph *b* of the second paragraph of section 75.2.1; and
- (d) the amount of \$1,000 mentioned in the first paragraph of section 358.0.3.

If the amount that results from the adjustment provided for in the first paragraph is not a multiple of \$5, it is to be rounded to the nearest multiple of \$5 or, if it is equidistant from two such multiples, to the higher of the two.”

(2) Subsection 1 applies from the taxation year 2008. However, when section 31.1 of the Act applies to the taxation year 2008, it is to be read without reference to subparagraphs *b* and *d* of the fourth paragraph.

**34.** Section 37.0.3 of the Act is amended by replacing “le lieu ordinaire de sa résidence” in the following provisions in the French text by “son lieu ordinaire de résidence”:

- subparagraphs *a* and *b* of the first paragraph;
- subparagraph ii of subparagraph *b* of the second paragraph.

**35.** Section 38.1 of the Act is amended by replacing “le lieu ordinaire de sa résidence” in subparagraphs *a* to *c* of the first paragraph in the French text by “son lieu ordinaire de résidence”.

**36.** (1) Section 39 of the Act is amended by inserting the following paragraph after paragraph *e*:

“(e.1) allowances for the board and lodging received by the individual, to a maximum total of \$300 for each month of a taxation year, if

i. the individual is, in that month, a registered participant with, or member of, a sports team or recreation program of the employer in respect of which participation or membership is restricted to persons under 21 years of age,

ii. the allowance is paid because of the individual’s participation or membership and is not attributable to services of the individual as a coach, instructor, trainer, referee, administrator or other similar occupation,

iii. the employer is a registered charity or a person described in section 996, and

iv. the allowance is reasonably attributable to the cost to the individual of living away from the place where the employee would, but for the employment, ordinarily reside;”.

(2) Subsection 1 applies to a taxation year that ends after 22 June 2007.

**37.** Section 39.4.1 of the Act is amended by replacing “du lieu ordinaire de sa résidence” in paragraph *a* in the French text by “de son lieu ordinaire de résidence”.

**38.** Section 39.5 of the Act is amended by replacing “du lieu ordinaire de sa résidence” in paragraph *b* in the French text by “de son lieu ordinaire de résidence”.

**39.** Section 42 of the Act is amended, in the French text,

(1) by replacing “du lieu principal de sa résidence” in the portion of paragraph *a* before subparagraph *i* by “de son lieu principal de résidence”;

(2) by replacing “lieu principal de sa résidence” in subparagraph *i* of paragraphs *a* and *b* by “lieu principal de résidence”.

**40.** Section 42.0.1 of the Act is amended by replacing “le lieu ordinaire de sa résidence” in paragraph *a* in the French text by “son lieu ordinaire de résidence”.

**41.** (1) Section 47.18 of the Act is amended by replacing the portion before the definition of “qualifying person” by the following:

“**47.18.** In this division and in section 259.0.1,”.

(2) Subsection 1 has effect from 14 March 2008. In addition, when the portion of section 47.18 of the Act before the definition of “qualifying person” applies

(1) after 31 December 1998 and before 1 January 2000, it is to be read as follows:

“**47.18.** In this division and in sections 725.2, 725.2.1 and 725.2.4,”;  
and

(2) after 31 December 1999 and before 14 March 2008, it is to be read as follows:

“**47.18.** In this division and in sections 259.0.1 and 725.2 to 725.4,”.

(3) However, subsection 1 does not apply to a right under an agreement to which section 47.18 of the Act, enacted by subsection 1 of section 14 of chapter 53 of the statutes of 2001, does not (except for the purposes of section 55 of the Act) apply.

**42.** (1) Section 58.0.2 of the Act is amended by replacing “of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1)” in paragraph *d* by “of the preceding regulation, within the meaning of section 2000R1 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1),”.

(2) Subsection 1 has effect from 4 March 2009.

**43.** (1) Section 65 of the Act is amended by adding the following paragraph:

“Despite the first paragraph, an individual may, in computing a deduction under section 62, deduct an amount expended for a meal if it is consumed with a client.”

(2) Subsection 1 applies in respect of a meal consumed after 13 March 2008.

**44.** Section 67 of the Act is amended by replacing “qu’au lieu ordinaire de sa résidence” in the first paragraph in the French text by “qu’à son lieu ordinaire de résidence”.

**45.** (1) Section 75.6 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2008.

**46.** Section 76 of the Act is amended by replacing “le lieu principal de sa résidence” in subparagraph *b* of the first paragraph in the French text by “son lieu principal de résidence”.

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

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

(2) Subsection 1 applies in respect of expenses paid after 31 December 2000.

**48.** (1) Section 92.5.2 of the Act is amended by replacing subparagraphs 1 and 2 of subparagraph *i* of subparagraph *b* of the second paragraph by the following subparagraphs:

“(1) of the taxpayer under any of sections 92.5.2.1, 656.3 and 660.1, or

“(2) of another person under section 437.1 or 462.0.1, on being transferred to the taxpayer’s NISA Fund No. 2, exceeds”.

(2) Subsection 1, when it enacts subparagraph 1 of subparagraph *i* of subparagraph *b* of the second paragraph of section 92.5.2 of the Act, applies in respect of the balance in a NISA Fund No. 2 to the extent that that balance consists of contributions made to the fund, and amounts earned on those contributions, from the taxation year 2008.

**49.** (1) The Act is amended by inserting the following section after section 92.5.2:

**“92.5.2.1.** If at any time there is an acquisition of control of a corporation, the balance of the corporation’s NISA Fund No. 2 at that time is deemed to be paid out to the corporation immediately before that time.”

(2) Subsection 1 applies in respect of the balance in a NISA Fund No. 2 to the extent that that balance consists of contributions made to the fund, and amounts earned on those contributions, from the taxation year 2008.

**50.** (1) Section 93.14 of the Act is amended by replacing “130R101” by “130R205”.

(2) Subsection 1 has effect from 4 March 2009.

**51.** (1) Section 96 of the Act, amended by section 53 of chapter 5 of the statutes of 2009, is again amended

(1) by inserting “and section 96.0.2” after “in this section” in the portion of subsection 1 before paragraph *a*;

(2) by replacing paragraphs *a* and *b* of subsection 2 by the following paragraphs:

“(a) the amount determined under subparagraph *c* or *d* of the second paragraph of section 93, in respect of the disposition of the former property, must be reduced by the lesser of the amount by which the amount otherwise determined under that subparagraph *c* or *d*, in respect of that disposition, exceeds the undepreciated capital cost to the taxpayer of property of the prescribed class to which the former property belonged at the time immediately before the time that the former property was disposed of, and the amount that has been used by the taxpayer to acquire, in the case of a former property referred to in paragraph *a* of subsection 1, before the end of the second taxation year following the year referred to in subsection 1 or, if it is later, before the end of the 24-month period following the year referred to in subsection 1, or, in any other case, before the end of the first taxation year following the year referred to in subsection 1 or, if it is later, before the end

of the 12-month period following the year referred to in subsection 1, a replacement property that has not been disposed of by the taxpayer before the time at which the taxpayer disposed of the former property; and

“(b) the amount of the reduction determined under paragraph *a* is deemed to be proceeds of disposition of a depreciable property of the taxpayer that had a capital cost equal to that amount and that was property of the same class as the replacement property, from a disposition made on the day on which the replacement property was acquired by the taxpayer or, if it is later, on the day on which the former property was disposed of by the taxpayer.”

(2) Paragraph 1 of subsection 1 applies in respect of a disposition or termination that occurs after 20 December 2002.

(3) Paragraph 2 of subsection 1, when it replaces paragraph *a* of subsection 2 of section 96 of the Act, applies in respect of a disposition that occurs in a taxation year that ends after 19 December 2000. However, when paragraph *a* of subsection 2 of section 96 of the Act applies in respect of a disposition that occurs in a taxation year that ends before 20 December 2001, it is to be read without reference to “or, if it is later, before the end of the 12-month period following the year referred to in subsection 1”.

**52.** (1) Section 96.0.1 of the Act is replaced by the following section:

“**96.0.1.** For the purposes of paragraph *a* of subsection 2 of section 96, if a taxpayer acquires a replacement property after the end of the period provided for in that paragraph *a* for the acquisition, and, in the Minister’s opinion, the taxpayer was unable to acquire the replacement property before the end of the period because of the specific nature of the former property referred to in section 96, the taxpayer is deemed to have acquired the replacement property before the end of the period.”

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 19 December 2000.

**53.** (1) The Act is amended by inserting the following section after section 96.0.1:

“**96.0.2.** The rules set out in the second paragraph apply if

(a) a taxpayer (in this section referred to as the “transferor”) has, pursuant to a written agreement with a person or partnership (in this section referred to as the “transferee”), disposed of or terminated a former property that is a franchise, concession or licence for a limited period that is wholly attributable to the carrying on of a business at a fixed place;

(b) the transferee acquired the former property from the transferor or, on the termination, acquired a similar property in respect of the same fixed place from another person or partnership; and

(c) the transferor and the transferee make a valid election under paragraph *c* of subsection 4.2 of section 13 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) after 19 December 2006 in respect of the acquisition and the disposition or termination.

The rules to which the first paragraph refers in respect of an acquisition and a disposition or termination are as follows:

(a) if the transferee acquires a similar property referred to in subparagraph *b* of the first paragraph, the transferee is deemed to have also acquired the former property at the time that the former property was terminated and to own the former property until the transferee no longer owns the similar property;

(b) if the transferee acquires the former property referred to in subparagraph *b* of the first paragraph, the transferee is deemed to own the former property until such time as the transferee owns neither the former property nor a similar property in respect of the same fixed place to which the former property related;

(c) for the purpose of calculating the amount deductible under paragraph *a* of section 130 in respect of the former property in computing the transferee's income, the useful life of the former property remaining on its acquisition by the transferee is deemed to be equal to the period that was the useful life of the former property remaining on its acquisition by the transferor; and

(d) any amount that would, but for this paragraph, be an amount included in the aggregate determined under subparagraph *b* of the second paragraph of section 107 in respect of the transferor or an incorporeal capital amount to the transferee in respect of the disposition or termination of the former property by the transferor is deemed to be

i. neither an amount included in the aggregate determined under subparagraph *b* of the second paragraph of section 107 nor an incorporeal capital amount,

ii. an amount required to be included in computing the capital cost to the transferee of the former property, and

iii. an amount required to be included in computing the proceeds of disposition to the transferor in respect of a disposition of the former property.

Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 4.2 of section 13 of the Income Tax Act or in relation to an election made under this section before 20 December 2006.”

(2) Subsection 1 applies in respect of a disposition or termination that occurs after 20 December 2002. However, when section 96.0.2 of the Act applies before 20 December 2006, it is to be read



(1) as if subparagraph *c* of the first paragraph was replaced by the following subparagraph:

“(c) the transferor and the transferee jointly elect in their fiscal returns for their taxation years that include the time of disposition or termination to have the rules set out in the second paragraph apply in respect of the acquisition and the disposition or termination.”; and

(2) without reference to the third paragraph.

**54.** (1) Section 110.1 of the Act, amended by section 57 of chapter 5 of the statutes of 2009, is again amended, in subsection 1,

(1) by replacing “before the end of the first taxation year after the end of the taxation year in which the former property was disposed of by the taxpayer to acquire the replacement property” by “to acquire the replacement property, before the end of the first taxation year following the taxation year in which the former property was disposed of by the taxpayer or, if it is later, before the end of the 12-month period following the taxation year in which the former property was disposed of by the taxpayer,”;

(2) by replacing “the later of the time the replacement property was acquired by the taxpayer and the time” by “the day on which the replacement property was acquired by the taxpayer or, if it is later, on the day on which”.

(2) Paragraph 1 of subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 19 December 2001.

**55.** (1) Section 130.1 of the Act is amended by replacing the fifth paragraph by the following paragraph:

“This section does not apply

(a) in respect of a prescribed class that includes a passenger vehicle of a taxpayer in respect of which paragraph *d.3* or *d.4* of section 99 or section 525.1 applied to the taxpayer; or

(b) in respect of a taxation year in relation to a property that was a former property deemed by subparagraph *a* or *b* of the second paragraph of section 96.0.2 to be owned by a taxpayer, if

i. within 24 months after the taxpayer last owned the former property, the taxpayer or a person not dealing at arm’s length with the taxpayer acquires a similar property in respect of the same fixed place to which the former property related, and

ii. at the end of the taxation year, the taxpayer or the person owns the similar property or another similar property in respect of the same fixed place to which the former property related.”

(2) Subsection 1 applies to a taxation year that ends after 20 December 2002.

**56.** (1) Section 133.4 of the Act is replaced by the following section:

“**133.4.** A taxpayer shall not, in computing the income of the taxpayer from a business or property for a taxation year, deduct any amount paid or payable by the taxpayer for services in respect of a retirement savings plan, retirement income fund or tax-free savings account under or of which the taxpayer is the annuitant or holder.”

(2) Subsection 1 applies from the taxation year 2009.

**57.** Section 156.8 of the Act is amended by replacing “le lieu ordinaire de sa résidence” in paragraphs *a* to *c* in the French text by “son lieu ordinaire de résidence”.

**58.** (1) Section 157 of the Act, amended by section 60 of chapter 5 of the statutes of 2009, is again amended by replacing paragraph *h.1.1* by the following paragraph:

“(h.1.1) the portion of an amount paid by the taxpayer in the year for renovations or alterations to a building that is used by the taxpayer primarily for the purpose of gaining or producing income from the property or from a business, in respect of which an architect, an engineer or a professional technologist certifies in the prescribed form that the renovation or alteration work was carried out in accordance with the barrier-free design standards set out in the Building Code referred to in section 13 of the Building Act (chapter B-1.1);”.

(2) Subsection 1 applies in respect of an expense incurred after 23 March 2006.

**59.** (1) Section 157.17 of the Act is amended

(1) by replacing “particular fiscal period of the partnership” in the first paragraph by “fiscal period of the partnership”;

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

“For the purposes of the first paragraph, the share of a corporation in a contribution made by a partnership of which the corporation is a member is equal to the agreed proportion of the contribution in respect of the corporation for the fiscal period of the partnership that ends in the taxation year of the corporation.”

(2) Paragraph 1 of subsection 1 has effect from 20 December 2006.

**60.** (1) The Act is amended by inserting the following sections after section 157.17:

**“157.17.1.** For the purposes of section 157.17, the following rules apply in respect of a corporation if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the corporation and a given partnership, for a given fiscal period of the given partnership:

(a) the corporation is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the corporation’s taxation year in which ends the fiscal period of the interposed partnership of which it is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the corporation is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period; and

(b) for the purpose of determining the corporation’s share in an amount in respect of the given partnership for the given fiscal period, the agreed proportion in respect of the corporation for that fiscal period of the given partnership is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the corporation for the interposed fiscal period of the interposed partnership of which it is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership’s given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period.

**“157.17.2.** Section 157.17.1 does not apply in respect of a corporation, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the corporation and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the corporation to be able to deduct, in computing its income for a taxation year under section 157.17, an amount greater than the amount that the corporation could have so deducted for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of a corporation that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the corporation had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) However, when section 157.17.1 of the Act applies before 4 June 2009, the portion of paragraph *b* before subparagraph i is to be read as follows:

“(b) for the purpose of determining the corporation’s share in an amount in respect of the given partnership for the given fiscal period, the proportion that the corporation’s share of the income or loss of the given partnership for the given fiscal period is of the income or loss of that given partnership for that fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the corporation for the interposed fiscal period of the interposed partnership of which it is directly a member, by”.

(4) In addition, when section 157.17.1 of the Act applies to a taxation year that ends before 21 December 2002, the definition of “agreed proportion” in section 1.8 of the Act has effect for the purposes of paragraph *b* of that section 157.17.1.

(5) If subsection 1 applies to a taxation year of a corporation because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the corporation on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the corporation as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**61.** (1) Section 175.2 of the Act is amended by adding the following paragraphs after paragraph *d.3*:

“(d.4) making a contribution to a registered disability savings plan; and

“(d.5) making a contribution to a tax-free savings account;”.

(2) Subsection 1, when it enacts paragraph *d.4* of section 175.2 of the Act, applies from the taxation year 2008.

(3) Subsection 1, when it enacts paragraph *d.5* of section 175.2 of the Act, applies from the taxation year 2009.

**62.** (1) Section 231 of the Act is amended by replacing “231.2” in the first paragraph by “231.2.1”.

(2) Subsection 1 has effect from 25 February 2008.

**63.** (1) Section 231.2 of the Act is amended

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

“(a) a gift made to a qualified donee of a property that is

i. a share, debt obligation or right listed on a Canadian stock exchange or a foreign stock exchange,

ii. a share of the capital stock of a mutual fund corporation,

iii. a unit of a mutual fund trust,

iv. an interest in a trust created in respect of a segregated fund within the meaning of section 851.2, or

v. a bond, debenture, note, hypothecary claim, mortgage or similar obligation, either issued or guaranteed by the Government of Canada, or issued by the government of a province or its mandatary;

“(b) a gift made to a qualified donee, other than a private foundation, of a property that is a property described, in respect of the taxpayer, in section 710.0.1 or in the definition of “qualified property” in the first paragraph of section 752.0.10.1;”;

(2) by adding the following paragraphs after paragraph *b*:

“(c) a deemed disposition by reason of the application of Division III of Chapter III of Title VII of Book III, the property is that of a deceased individual and the individual is deemed, pursuant to section 752.0.10.10, to have made a gift referred to in paragraph *a* or *b* in respect of the property; or

“(d) the exchange, for a property described in paragraph *a*, of a share of the capital stock of a corporation, which share included, at the time it was issued and at the time of the disposition, a condition allowing the holder to exchange it for the property, and the taxpayer

i. receives no consideration on the exchange other than the property, and

ii. makes a gift of the property to a qualified donee not more than 30 days after the exchange.”

(2) Paragraph 1 of subsection 1 and paragraph 2 of subsection 1, when it enacts paragraph *c* of section 231.2 of the Act, apply in respect of a gift made after 18 March 2007.

(3) Paragraph 2 of subsection 1, when it enacts paragraph *d* of section 231.2 of the Act, applies in respect of a gift made after 25 February 2008.

**64.** (1) The Act is amended by inserting the following section after section 231.2:

**“231.2.1.** A taxpayer’s taxable capital gain for a taxation year, from the disposition of an interest in a partnership (other than a prescribed interest) that would be an exchange described in paragraph *d* of section 231.2 if the interest were a share in the capital stock of a corporation, is equal to the lesser of

(a) that taxable capital gain determined without reference to this section; and

(b) the amount determined by the formula

$(A - B)/2$ .

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

(a) *A* is the aggregate of the cost to the taxpayer of the partnership interest and of each amount required by subparagraph *iv* or *x* of paragraph *i* of section 255 to be added in computing the adjusted cost base to the taxpayer of the partnership interest;

(b) *B* is the adjusted cost base to the taxpayer of the partnership interest determined without reference to subparagraphs *iv* and *v* of paragraph *l* of section 257.”

(2) Subsection 1 applies in respect of a gift made after 25 February 2008.

**65.** (1) The Act is amended by inserting the following section after section 231.4, enacted by section 77 of chapter 5 of the statutes of 2009:

**“231.5.** For the purposes of section 231.2, if a gift is made to a private foundation after 18 March 2007 and subsection 8 of section 149.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies to the foundation in respect of a class of shares of the capital stock of a corporation, the portion of paragraph *a* of section 231.2 before subparagraph *i* is to be read as if “, other than a private foundation,” was inserted after “qualified donee”.”

(2) Subsection 1 has effect from 19 March 2007.

**66.** (1) Section 241 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) a trust governed by a registered retirement income fund, a deferred profit sharing plan, a profit sharing plan, a registered disability savings plan or a tax-free savings account under which the taxpayer is a beneficiary or immediately after the disposition becomes a beneficiary; or”.

(2) Subsection 1 applies from the taxation year 2008. However, when paragraph *a* of section 241 of the Act applies to the taxation year 2008, it is to be read as if “, a registered disability savings plan or a tax-free savings account” was replaced by “or a registered disability savings plan”.

**67.** (1) Section 248 of the Act, amended by section 83 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *vi* of subparagraph *b* of the second paragraph by the following subparagraph:

“vi. if the transferor is an amateur athlete trust, a cemetery care trust, an employee trust, a trust referred to in section 851.25, a segregated fund trust referred to in section 851.2, a trust described in paragraph *c.4* of section 998 or a trust governed by an eligible funeral arrangement, a profit sharing plan, a registered education savings plan, a registered disability savings plan, a registered supplementary unemployment benefit plan or a tax-free savings account, the transferee is the same type of trust, and”.

(2) Subsection 1 applies from the taxation year 2008. However, when section 248 of the Act applies to the taxation year 2008, subparagraph *vi* of subparagraph *b* of the second paragraph of that section is to be read as if “, a registered supplementary unemployment benefit plan or a tax-free savings account” was replaced by “or a registered supplementary unemployment benefit plan”.

**68.** (1) Section 257 of the Act, amended by section 88 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *iii* of paragraph *l* by the following subparagraph:

“iii. any amount deemed, under section 714 or 752.0.10.11, to be the eligible amount of a gift made by the taxpayer as a member of the partnership at the end of any fiscal period of the partnership ending before that time, or in relation to another partnership of which the taxpayer is deemed to be a member under section 693.2 or the second paragraph of section 752.0.10.11 because the taxpayer is a member of the partnership at the end of such a fiscal period,”.

(2) Subsection 1 has effect from 20 December 2006, or before that date but only when subparagraph *iii* of paragraph *l* of section 257 of the Act applies in respect of an amount that is deemed to be the eligible amount of a

gift made by the taxpayer or a gift made by the taxpayer in relation to another partnership of which the taxpayer is deemed to be a member, in a particular taxation year of the taxpayer in respect of which

(1) the time limits provided for in paragraph 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the taxpayer had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) However, when subparagraph iii of paragraph *l* of section 257 of the Act applies before 20 December 2006 in the circumstances described in subsection 2 and in relation to a gift made before 21 December 2002, it is to be read as follows:

“iii. any amount deemed, under section 714 or 752.0.10.11, to be a gift made by the taxpayer as a member of the partnership at the end of any fiscal period of the partnership ending before that time, or in relation to another partnership of which the taxpayer is deemed to be a member under section 693.2 or the second paragraph of section 752.0.10.11 because the taxpayer is a member of the partnership at the end of such a fiscal period.”.

**69.** Section 274.0.1 of the Act, amended by section 93 of chapter 5 of the statutes of 2009, is again amended by replacing “apart and separated” in subparagraph ii of subparagraph *d* of the second paragraph by “separate and apart”.

**70.** (1) Sections 278 and 278.1 of the Act are replaced by the following sections:

**“278.** Despite section 234, this division applies if, at any time in a taxation year, an amount becomes receivable by a taxpayer as proceeds of disposition of a capital property (in this division referred to as “former property”) that is not a share of the capital stock of a corporation but that is either property the proceeds of disposition of which are described in section 280 or a property that was, immediately before the disposition, a former business property of the taxpayer, and the taxpayer acquires, in the case of a former property the proceeds of disposition of which are described in section 280, before the end of the second taxation year following the year or, if it is later, before the end of the 24-month period following the year, or, in any other case, before the end of the first taxation year following the year or, if it is later, before the end of the 12-month period following the year, a capital property that is a replacement property for the taxpayer’s former property and the replacement property has not been disposed of by the taxpayer before the time at which the taxpayer has disposed of the former property.



**“278.1.** For the purposes of section 278, if a taxpayer acquires a capital replacement property for a former property after the end of the period provided for in that section for the acquisition and, in the Minister’s opinion, the taxpayer was unable to acquire the capital replacement property before the end of the period because of the specific nature of the former property, the taxpayer is deemed to have acquired the capital replacement property before the end of the period.”

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 19 December 2000. However, when section 278 of the Act applies in respect of a disposition that occurs in a taxation year that ends before 20 December 2001, it is to be read without reference to “or, if it is later, before the end of the 12-month period following the year”.

**71.** (1) Section 308.0.1 of the Act is amended, in the first paragraph,

(1) by replacing paragraph *c* of the definition of “specified class” by the following paragraph:

“(c) no holder of the shares is entitled to receive on the redemption, cancellation or acquisition of the shares by the corporation or by any person with whom the corporation does not deal at arm’s length, an amount (other than a premium for early redemption) that is greater than the aggregate of the fair market value of the consideration for which the shares were issued and the amount of any unpaid dividends on the shares, and”;

(2) by adding the following paragraph after paragraph *c* of the definition of “specified class”:

“(d) the shares are non-voting in respect of the election of the board of directors except in the event of a failure or default under the terms or conditions of the shares;”;

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

““qualified person”, in relation to a distribution, means a person or partnership with whom the distributing corporation deals at arm’s length at all times during the course of the series of transactions or events that includes the distribution if

(a) at any time before the distribution,

i. all of the shares of each class of the capital stock of the distributing corporation that includes shares that cause that person or partnership to be a specified shareholder of the distributing corporation (in this definition all of those shares in all of those classes being referred to as the “exchanged shares”) are, in the circumstances described in paragraph *a* of the definition of “permitted exchange”, exchanged for consideration that consists solely of

shares of a specified class of the capital stock of the distributing corporation (in this definition referred to as the “new shares”), or

ii. the terms or conditions of all of the exchanged shares are amended (which shares are in this definition referred to after the amendment as the “amended shares”) and the amended shares are shares of a specified class of the capital stock of the distributing corporation;

(b) immediately before the exchange or amendment, the exchanged shares are listed on a Canadian stock exchange or a foreign stock exchange;

(c) immediately after the exchange or amendment, the new shares or the amended shares, as the case may be, are listed on a Canadian stock exchange or a foreign stock exchange;

(d) the exchanged shares would be shares of a specified class if they were not convertible into, or exchangeable for, other shares;

(e) the new shares or the amended shares, as the case may be, and the exchanged shares are non-voting in respect of the election of the board of directors of the distributing corporation except in the event of a failure or default under the terms or conditions of the shares; and

(f) no holder of the new shares or the amended shares, as the case may be, is entitled to receive on the redemption, cancellation or acquisition of the new shares or the amended shares, as the case may be, by the distributing corporation or by any person with whom the distributing corporation does not deal at arm’s length, an amount (other than a premium for early redemption) that is greater than the aggregate of the fair market value of the consideration for which the exchanged shares were issued and the amount of any unpaid dividends on the new shares or on the amended shares, as the case may be;”.

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of a share issued after 20 December 2002.

(3) Paragraph 3 of subsection 1 applies in respect of a dividend received after 31 December 1999.

**72.** (1) Section 308.2.1 of the Act is amended by replacing subparagraph ii of paragraph c by the following subparagraph:

“ii. property, other than shares of the capital stock of the particular corporation, more than 10% of the fair market value of which was, at any time during the course of the series of transactions or events, derived from shares of the capital stock of the corporation that paid the dividend;”.

(2) Subsection 1 applies in respect of a dividend received after 21 February 1994.

**73.** (1) Section 308.2.2 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) proceeds of disposition of a property are to be determined without reference to paragraph *a* of section 308.1 in section 251 and without reference to Chapter V of Title X; and”.

(2) Subsection 1 applies in respect of a dividend received after 21 February 1994.

**74.** (1) Section 308.3.1 of the Act is amended by replacing subparagraph 2 of subparagraph *i* of paragraph *b* by the following subparagraph:

“(2) the vendor, other than a qualified person in relation to the distribution, was, at any time during the course of the series, a specified shareholder of the distributing corporation or of the transferee corporation, and”.

(2) Subsection 1 applies in respect of a dividend received after 31 December 1999.

**75.** (1) Section 308.3.2 of the Act is amended by replacing paragraph *h* by the following paragraph:

“(h) in relation to a distribution each corporation (other than a qualified person in relation to the distribution) that is a shareholder and specified shareholder of the distributing corporation at any time during the course of a series of transactions or events, a part of which includes the distribution made by the distributing corporation, is deemed to be a transferee corporation in relation to the distributing corporation.”

(2) Subsection 1 applies in respect of a dividend received after 31 December 1999.

**76.** (1) The Act is amended by inserting the following sections after section 308.3.3:

**308.3.4.** For the purpose of determining whether a person is a specified shareholder of a corporation for the purposes of the definition of “qualified person” in the first paragraph of section 308.0.1, subparagraph *i* of paragraph *b* of section 308.3.1 and paragraph *h* of section 308.3.2 when it applies for the purposes of subparagraph *iii* of paragraph *b* of section 308.3.1, section 21.17 is to be read as if “not less than 10% of the issued shares of any class of the capital stock of the corporation” was replaced by “not less than 10% of the issued shares of any class of the capital stock of the corporation, other than shares of a specified class within the meaning of section 308.0.1.”.

**“308.3.5.** For the purposes of paragraphs *c* and *d* of section 308.3.1, a corporation formed by an amalgamation of two or more corporations that were related to each other immediately before the amalgamation is deemed to be a continuation of each of the predecessor corporations.

**“308.3.6.** For the purposes of sections 1094 to 1096 and 1102.4, a share (in this section referred to as the “reorganization share”) is deemed to be listed on a Canadian stock exchange or a foreign stock exchange if

(a) a dividend, to which section 308.1 does not apply because of section 308.3, is received in the course of a reorganization;

(b) in contemplation of the reorganization, the reorganization share is

i. issued to a taxpayer by a public corporation in exchange for another share of that corporation (in this section referred to as the “old share”) owned by the taxpayer, and

ii. exchanged by the taxpayer for a share of another public corporation (in this section referred to as the “new share”) in an exchange that would be a permitted exchange if the definition of “permitted exchange” in the first paragraph of section 308.0.1 were read without reference to its paragraph *a* and subparagraph ii of its paragraph *b*;

(c) immediately before the exchange, the old share is listed on a Canadian stock exchange or a foreign stock exchange and is not taxable Canadian property of the taxpayer; and

(d) the new share is listed on a Canadian stock exchange or a foreign stock exchange.”

(2) Subsection 1, when it enacts section 308.3.4 of the Act, applies in respect of a dividend received after 31 December 1999.

(3) Subsection 1, when it enacts section 308.3.5 of the Act, applies in respect of a dividend received after 26 April 1995.

(4) Subsection 1, when it enacts section 308.3.6 of the Act, applies in respect of a share issued after 26 April 1995. However, when section 308.3.6 of the Act applies before 26 November 1999, it is to be read as if “on a Canadian stock exchange or a foreign stock exchange” in the portion before paragraph *a* and in paragraphs *c* and *d* was replaced by “on a prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20”.

**77.** Section 314 of the Act is amended by replacing “by or with the consent of the taxpayer” by “according to the taxpayer’s instructions or with the taxpayer’s consent”.

**78.** Section 336 of the Act, amended by section 118 of chapter 5 of the statutes of 2009, is again amended by replacing “another province” in subparagraph i of paragraph *e* by “a province other than Québec”.

**79.** (1) Section 336.5 of the Act, amended by section 120 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing paragraphs *b* and *c* of the definition of “additional investment expense” by the following paragraphs:

“(b) where the year begins after 19 March 2007 and the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7 is equal to zero, the aggregate of the individual’s net capital losses for other taxation years deducted, without reference to subparagraph *b* of the first paragraph of section 729.1, under section 729 in computing the individual’s taxable income for the year;

“(c) where the maximum amount that the individual could deduct under Title VI.5 of Book IV in computing the individual’s taxable income for the year, if no reference were made to this paragraph, paragraphs *c.1* and *c.2* and subparagraphs 2 to 2.2 of subparagraph *vi* of subparagraph *e* of the first paragraph of section 726.6, enacted by paragraph *c* of the definition of “investment income”, is greater than zero and equal to the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, and the individual deducts under that Title VI.5 in computing the individual’s taxable income for the year an amount equal to the maximum amount, the aggregate of the individual’s net capital losses for other taxation years deducted, without reference to subparagraph *b* of the first paragraph of section 729.1, under section 729 in computing the individual’s taxable income for the year;”;

(2) by inserting the following paragraphs after paragraph *c* of the definition of “additional investment expense”:

“(c.1) where paragraphs *b* and *c* do not apply and the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”, is equal to zero, the amount that would be determined in respect of the individual for the year under subparagraph *vi* of subparagraph *a.2* of the first paragraph of section 726.6 if the amount resulting from a designation made by a trust under section 668 were taken into account, despite the exception provided for in section 668 in respect of Title VI.5 of Book IV and if the amount determined in respect of the individual for the year under subparagraph 1 of subparagraph *ii* of subparagraph *b* of the first paragraph of section 726.6 were determined, for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *b* of the first paragraph of section 726.6, without reference to qualified farm property, eligible small business corporation shares and qualified fishing property disposed of before 19 March 2007;

“(c.2) where paragraph *c* does not apply, where the maximum amount that the individual could deduct under Title VI.5 of Book IV in computing the individual’s taxable income for the year in respect of property disposed of before 19 March 2007, if no reference were made to this paragraph and subparagraph 2.2 of subparagraph *vi* of subparagraph *e* of the first paragraph of section 726.6, enacted by paragraph *c* of the definition of “investment income”, is greater than zero and equal to the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”, and where the individual deducts under that Title VI.5 in computing the individual’s taxable income for the year an amount at least equal to the maximum amount, the amount that would be determined in respect of the individual for the year under subparagraph *vi* of subparagraph *a.2* of the first paragraph of section 726.6 if the amount resulting from a designation made by a trust under section 668 were taken into account, despite the exception provided for in section 668 in respect of that Title VI.5 and if the amount determined in respect of the individual for the year under subparagraph 1 of subparagraph *ii* of subparagraph *b* of the first paragraph of section 726.6 were determined, for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *b* of the first paragraph of section 726.6, without reference to qualified farm property, eligible small business corporation shares and qualified fishing property disposed of before 19 March 2007; and”;

(3) by replacing “*b* and *c*” and “distribution” in paragraph *d* of the definition of “additional investment expense” by “*b* to *c.2*” and “designation”, respectively;

(4) by replacing “distribution” in the portion of subparagraph *vi* of subparagraph *e* of the first paragraph of section 726.6 of the Act before subparagraph 1 and in subparagraph 3 of that subparagraph *vi*, enacted by paragraph *c* of the definition of “investment income”, by “designation”;

(5) by replacing subparagraphs 1 and 2 of subparagraph *vi* of subparagraph *e* of the first paragraph of section 726.6 of the Act, enacted by paragraph *c* of the definition of “investment income”, by the following subparagraphs:

“(1) where the year begins after 19 March 2007 and the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7 is equal to zero, an amount equal to zero,

“(2) where the maximum amount that the individual could deduct under this Title in computing the individual’s taxable income for the year, if no reference were made to this subparagraph 2, subparagraphs 2.1 and 2.2 and paragraphs *c* to *c.2* of the definition of “additional investment expense” in section 336.5, is greater than zero and equal to the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, and the individual deducts under this Title in

computing the individual's taxable income for the year an amount equal to the maximum amount, the amount deducted by the individual in computing the individual's taxable income for the year under this Title,";

(6) by inserting the following subparagraphs after subparagraph 2 of subparagraph vi of subparagraph *e* of the first paragraph of section 726.6 of the Act, enacted by paragraph *c* of the definition of "investment income":

"(2.1) where subparagraphs 1 and 2 do not apply and the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if "\$375,000" was replaced by "\$250,000", is equal to zero, the amount that would be determined in respect of the individual for the year under subparagraph *i* of subparagraph *b* if the amount resulting from a designation made by a trust under section 668 were taken into account, despite the exception provided for in section 668 in respect of this Title and if, for the purposes of subparagraph 2 of that subparagraph *i*, no reference were made to qualified farm property, eligible small business corporation shares and qualified fishing property disposed of before 19 March 2007,

"(2.2) where subparagraph 2 does not apply, where the maximum amount that the individual could deduct under this Title in computing the individual's taxable income for the year in respect of property disposed of before 19 March 2007, if no reference were made to this subparagraph 2.2 and to paragraph *c.2* of the definition of "additional investment expense" in section 336.5, is greater than zero and equal to the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if "\$375,000" was replaced by "\$250,000", and where the individual deducts under this Title in computing the individual's taxable income for the year an amount at least equal to the maximum amount, the amount that would be determined in respect of the individual for the year under subparagraph *i* of subparagraph *b* if the amount resulting from a designation made by a trust under section 668 were taken into account, despite the exception provided for in section 668 in respect of this Title and if, for the purposes of subparagraph 2 of that subparagraph *i*, no reference were made to qualified farm property, eligible small business corporation shares and qualified fishing property disposed of before 19 March 2007, and".

(2) Paragraphs 1 to 3, 5 and 6 of subsection 1 apply to a taxation year that ends after 18 March 2007. However,

(1) when the definition of "additional investment expense" in section 336.5 of the Act applies to a taxation year that includes 19 March 2007, it is to be read as if

(*a*) "is greater than zero and equal to the amount determined" in paragraph *c* was replaced by "is equal to the total of \$125,000 and the amount determined";

(b) “where paragraphs *b* and *c* do not apply and the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”,” in paragraph *c.1* was replaced by “where paragraph *c* does not apply and the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7”; and

(c) “to the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”” in paragraph *c.2* was replaced by “to the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7”; and

(2) when the definition of “investment income” in section 336.5 of the Act applies to a taxation year that includes 19 March 2007, subparagraph *vi* of subparagraph *e* of the first paragraph of section 726.6 of the Act, enacted by paragraph *c* of that definition, is to be read as if

(a) “is greater than zero and equal to the amount determined” in subparagraph 2 was replaced by “is equal to the total of \$125,000 and the amount determined”;

(b) “where subparagraphs 1 and 2 do not apply and the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”,” in subparagraph 2.1 was replaced by “where subparagraph 2 does not apply and the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7”; and

(c) “to the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7, if the formula were read as if “\$375,000” was replaced by “\$250,000”” in subparagraph 2.2 was replaced by “to the amount determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7”.

**80.** (1) Section 350.2 of the Act is amended, in the first paragraph,

(1) by replacing “Le montant auquel réfère l’article 350.1” in the portion before subparagraph *a* in the French text by “Le montant auquel l’article 350.1 fait référence”;

(2) by replacing “\$7.50” in subparagraphs 1 and 2 of subparagraph *ii* of subparagraph *b* by “\$8.25”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 2008.



**81.** Section 350.4 of the Act is amended by replacing “principal lieu d’habitation” in subparagraph *b* of the first paragraph in the French text by “lieu principal de résidence”.

**82.** (1) Section 359.2.5 of the Act is amended by replacing “if no account was taken of” in the portion before paragraph *a* by “if no reference were made to section 1138.2.6 and to”.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**83.** (1) Section 421.1 of the Act is amended, in the portion before paragraph *a*,

(1) by replacing “For the purposes of this Part” by “Subject to section 421.1.1, for the purposes of this Part”;

(2) by inserting “II.6 to II.6.0.0.5,” after “Divisions”.

(2) Paragraph 1 of subsection 1 applies in respect of an amount that is paid or becomes payable after 18 March 2007.

(3) When paragraph 2 of subsection 1 inserts a reference

(1) to Division II.6 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 19 December 1990;

(2) to Division II.6.0.0.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 19 December 1997;

(3) to Division II.6.0.0.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 13 February 1998;

(4) to Divisions II.6.0.0.3 and II.6.0.0.4 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 10 March 1999; and

(5) to Division II.6.0.0.5 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 15 March 2000.

(4) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part I of the Act, on application by the taxpayer, make such determinations or redeterminations of the amount deemed to have been paid under Divisions II.6 to II.6.0.0.5 of Chapter III.1 of Title III of Book IX of that Part by the taxpayer for a taxation year and such assessments or reassessments of the interest and penalties payable by the taxpayer for that taxation year as are necessary to give effect to paragraph 2 of subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such determinations and assessments, with the necessary modifications.

(5) Despite sections 1010 to 1011 of the Act, if the Minister of Revenue, as a consequence of the application of subsection 4, makes a determination or redetermination of the amount deemed to have been paid by the taxpayer under Divisions II.6 to II.6.0.5 of Chapter III.1 of Title III of Book IX of Part I of the Act for a taxation year, the Minister may redetermine the tax, interest and penalties payable by the taxpayer under Parts III.1 to III.1.0.5 of the Act for any taxation year but only for the purpose of making an adjustment consequential upon the determination or redetermination in respect of that taxation year. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu apply to such determinations, with the necessary modifications.

**84.** (1) The Act is amended by inserting the following section after section 421.1:

**“421.1.1.** An amount paid or payable by a long-haul truck driver in respect of the consumption of food or beverages by the driver during an eligible travel period of the driver is deemed to be equal to the amount obtained by multiplying the specified percentage in respect of the amount so paid or payable by the lesser of

- (a) the amount so paid or payable; and
- (b) a reasonable amount in the circumstances.

In this section,

“eligible travel period” in respect of a long-haul truck driver is a period of at least 24 continuous hours during which the driver is away from the municipality or metropolitan area where the specified place in respect of the driver is located for the purpose of driving a long-haul truck that transports goods to, or from, a location that is beyond a radius of 160 kilometres from the specified place;

“long-haul truck” means a truck or a tractor that is designed for hauling freight and that has a gross vehicle weight rating, within the meaning of subsection 1 of section 2 of the Motor Vehicle Safety Regulations made under the Motor Vehicle Safety Act (Statutes of Canada, 1993, chapter 16), that exceeds 11,788 kilograms;

“long-haul truck driver” means an individual whose principal business or principal duty of employment is driving a long-haul truck that transports goods;

“specified percentage” in respect of an amount paid or payable is

- (a) 60%, if the amount is paid or becomes payable after 18 March 2007 and before 1 January 2008;
- (b) 65%, if the amount is paid or becomes payable in the year 2008;

- (c) 70%, if the amount is paid or becomes payable in the year 2009;
- (d) 75%, if the amount is paid or becomes payable in the year 2010; and
- (e) 80%, if the amount is paid or becomes payable after 31 December 2010;

“specified place” means, in the case of an employee, the employer’s establishment to which the employee ordinarily reports for work and, in the case of an individual whose principal business is to drive a long-haul truck to transport goods, the place where the individual resides.”

(2) Subsection 1 applies in respect of an amount that is paid or becomes payable after 18 March 2007.

**85.** (1) The Act is amended by inserting the following section after section 421.4:

**“421.4.1.** For the purposes of this division, if a person who is a producer pays or is required to pay in a taxation year an allowance for meal expenses to a person who is an artist in relation to services rendered in the course of a business carried on by the artist, the artist is deemed to be an employee for the purpose of determining the amount that the producer may deduct, in respect of the allowance, in computing the producer’s income for the year from a business carried on by the producer, if

(a) the allowance for meal expenses is paid or payable under a collective or individual agreement that is binding on the artist and the producer; and

(b) the agreement referred to in subparagraph *a* is entered into in accordance with the Act respecting the professional status and conditions of engagement of performing, recording and film artists (chapter S-32.1).

In this section, “artist” and “producer” have the meaning assigned by the Act respecting the professional status and conditions of engagement of performing, recording and film artists.”

(2) Subsection 1 is declaratory.

(3) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall make, under Part I of the Act and on an application by a taxpayer, such assessments of tax, interest and penalties payable by the taxpayer as are required for any taxation year to give effect to subsections 1 and 2. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**86.** (1) Section 462.24 of the Act is amended

(1) by inserting the following paragraph after paragraph *a.1*:

“(a.2) as a payment of a contribution under a registered disability savings plan;”;

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

“(c) to the individual’s spouse, while the property, or a property substituted for it, is held under a tax-free savings account of which the spouse is the holder, to the extent that the spouse does not, at the time of the contribution of the property under that account, have an excess TFSA amount, as defined in subsection 1 of section 207.01 of the Income Tax Act.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2008.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2009.

**87.** (1) Section 467.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) by a trust governed by a retirement compensation arrangement, a registered retirement income fund, a deferred profit sharing plan, a registered pension plan, an employee benefit plan, a profit sharing plan, a registered education savings plan, a registered disability savings plan, a registered retirement savings plan, a registered supplementary unemployment benefit plan or a tax-free savings account;”.

(2) Subsection 1 applies from the taxation year 2008. However, when paragraph *a* of section 467.1 of the Act applies to the taxation year 2008, it is to be read as if “, a registered supplementary unemployment benefit plan or a tax-free savings account” was replaced by “or a registered supplementary unemployment benefit plan”.

**88.** (1) The Act is amended by inserting the following section after section 467.1:

“**467.2.** If an amount paid to acquire a qualifying trust annuity with respect to a taxpayer is deductible under paragraph *f* of section 339 in computing the taxpayer’s income, the following rules apply:

(a) any amount that is paid out of or under the annuity at a particular time after 31 December 2005 and before the death of the taxpayer is deemed to have been received out of or under the annuity at the particular time by the taxpayer, and not to have been received by another taxpayer; and

(b) if the taxpayer dies after 31 December 2005,

i. the taxpayer is deemed to have received, immediately before the taxpayer’s death, an amount out of or under the annuity equal to the fair market value of the annuity at the time of the taxpayer’s death, and

ii. for the purposes of section 436, the annuity is to be disregarded in determining the fair market value (immediately before the taxpayer's death) of the taxpayer's interest in the trust that is the annuitant under the annuity."

(2) Subsection 1 has effect from 1 January 2006.

**89.** (1) Section 485.6 of the Act is amended by replacing "130R200" in subparagraph ii of subparagraph *b* of the second paragraph by "130R223".

(2) Subsection 1 has effect from 4 March 2009.

**90.** (1) Section 497 of the Act, replaced by section 172 of chapter 5 of the statutes of 2009, is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

"(b) the product obtained by multiplying the excess amount determined in respect of the taxpayer under subparagraph *b* of the first paragraph for the taxation year by

- i. 45%, for the taxation year 2009,
- ii. 44%, for the taxation year 2010,
- iii. 41%, for the taxation year 2011, and
- iv. 38%, for a taxation year subsequent to the taxation year 2011."

(2) Subsection 1 applies from the taxation year 2009.

**91.** Section 509.1 of the Act is repealed.

**92.** Section 598.1 of the Act is amended by replacing the second paragraph by the following paragraph:

"The corporation to which the first paragraph refers is an S corporation within the meaning of the United States Internal Revenue Code of 1986, as amended from time to time."

**93.** (1) Section 603 of the Act, replaced by section 192 of chapter 5 of the statutes of 2009, is amended by inserting "105.2.1, 105.2.2," after "96," in the portion before paragraph *a*.

(2) Subsection 1, when it inserts "105.2.1," in section 603 of the Act, applies to a taxation year that ends after 27 February 2000 and, when it inserts "105.2.2," in section 603 of the Act, applies to a taxation year that ends after 20 December 2002.

(3) In addition, when section 603 of the Act applies after 20 December 2002 and before 20 December 2006, it is to be read with “96.0.2,” inserted after “96,” in the portion before paragraph *a*.

**94.** (1) Section 603.1 of the Act, enacted by section 193 of chapter 5 of the statutes of 2009, is amended by replacing “Title XX” in subparagraph *i* of subparagraph *b* of the second paragraph by “Title XXVII”.

(2) Subsection 1 has effect from 4 March 2009.

**95.** (1) Section 647 of the Act, amended by section 198 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *a* of the third paragraph by the following subparagraph:

“(a) an amateur athlete trust, an employee trust, a trust described in paragraph *c.4* of section 998 or a trust governed by a foreign retirement arrangement, a registered pension plan, a profit sharing plan, a registered supplementary unemployment benefit plan, a registered retirement savings plan, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan, an employee benefit plan, a registered retirement income fund or a tax-free savings account;”.

(2) Subsection 1 applies from the taxation year 2008. However, when subparagraph *a* of the third paragraph of section 647 of the Act applies to the taxation year 2008, it is to be read as if “, a registered retirement income fund or a tax-free savings account” was replaced by “or a registered retirement income fund”.

**96.** (1) Section 650 of the Act is amended by inserting “the second paragraph of section 21.43 and” after “For the purposes of”.

(2) Subsection 1 applies to a taxation year of a trust that begins after 31 December 2000.

**97.** (1) Section 668.1 of the Act is amended by replacing “section 668.2” in the portion before paragraph *a* by “sections 668.2 to 668.2.4”.

(2) Subsection 1 applies to a taxation year of a trust that ends after 18 March 2007.

**98.** (1) The Act is amended by inserting the following sections after section 668.2:

**“668.2.1.** A beneficiary who, because of subparagraph *i* of paragraph *b* of section 668.1, is deemed, for the purposes of Title VI.5 of Book IV, to have a taxable capital gain (in this section referred to as the “specified taxable capital gain”) from a disposition of capital property that is qualified farm property of the beneficiary, for the beneficiary’s taxation year that includes 19 March 2007 and in which the designation year of the trust ends,

is deemed, for the purposes of section 726.7.3 and if the trust complies with the requirements of section 668.2.4, to have a taxable capital gain from the disposition of qualified farm property of the beneficiary after 18 March 2007 equal to the amount determined by the formula

$$A \times B/C.$$

In the formula in the first paragraph,

(a) A is the amount of the specified taxable capital gain;

(b) B is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified farm properties of the trust that were disposed of by the trust after 18 March 2007; and

(c) C is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified farm properties of the trust.

**“668.2.2.** A beneficiary who, because of subparagraph ii of paragraph *b* of section 668.1, is deemed, for the purposes of Title VI.5 of Book IV, to have a taxable capital gain (in this section referred to as the “specified taxable capital gain”) from a disposition of capital property that is a qualified small business corporation share of the beneficiary, for the beneficiary’s taxation year that includes 19 March 2007 and in which the designation year of the trust ends, is deemed, for the purposes of section 726.7.3 and if the trust complies with the requirements of section 668.2.4, to have a taxable capital gain from the disposition of a qualified small business corporation share of the beneficiary after 18 March 2007 equal to the amount determined by the formula

$$A \times B/C.$$

In the formula in the first paragraph,

(a) A is the amount of the specified taxable capital gain;

(b) B is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified small business corporation shares of the trust that were disposed of by the trust after 18 March 2007; and

(c) C is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified small business corporation shares of the trust.

**“668.2.3.** A beneficiary who, because of subparagraph iii of paragraph *b* of section 668.1, is deemed, for the purposes of Title VI.5 of Book IV, to have a taxable capital gain (in this section referred to as the “specified taxable capital gain”) from a disposition of capital property that is qualified fishing property of the beneficiary, for the beneficiary’s taxation year that includes 19 March 2007 and in which the designation year of the trust ends, is deemed, for the purposes of section 726.7.3 and if the trust complies with the requirements of section 668.2.4, to have a taxable capital gain from the disposition of qualified fishing property of the beneficiary after 18 March 2007 equal to the amount determined by the formula

$$A \times B/C.$$

In the formula in the first paragraph,

(a) A is the amount of the specified taxable capital gain;

(b) B is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified fishing properties of the trust that were disposed of by the trust after 18 March 2007; and

(c) C is, if the designation year of the trust includes 19 March 2007, the amount that would be determined in respect of the trust for the designation year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified fishing properties of the trust.

**“668.2.4.** A trust shall determine and designate, in its fiscal return filed under this Part for the designation year of the trust, the following amounts in respect of a beneficiary:

(a) the amount that is, under section 668.2.1, determined to be the beneficiary’s taxable capital gain from the disposition, after 18 March 2007, of qualified farm property of the beneficiary;

(b) the amount that is, under section 668.2.2, determined to be the beneficiary’s taxable capital gain from the disposition, after 18 March 2007, of a qualified small business corporation share of the beneficiary; and



(c) the amount that is, under section 668.2.3, determined to be the beneficiary's taxable capital gain from the disposition, after 18 March 2007, of qualified fishing property of the beneficiary.”

(2) Subsection 1 applies to a taxation year of a trust that ends after 18 March 2007.

**99.** (1) Section 668.4 of the Act is amended by replacing “668.1 and 668.2” in the portion before the definition of “eligible taxable capital gains” by “668.1 to 668.2.4”.

(2) Subsection 1 applies to a taxation year of a trust that ends after 18 March 2007.

**100.** (1) Section 692.5 of the Act, amended by section 232 of chapter 5 of the statutes of 2009, is again amended by replacing paragraph *j* by the following paragraph:

“(j) if the contributor is an amateur athlete trust, a cemetery care trust, an employee trust, an *inter vivos* trust deemed by section 851.25 to exist in respect of a congregation that is a constituent part of a religious organization, a segregated fund trust within the meaning of section 851.2, a trust described in paragraph *c.4* of section 998 or a trust governed by an eligible funeral arrangement, a profit sharing plan, a registered education savings plan, a registered disability savings plan, a registered supplementary unemployment benefit plan or a tax-free savings account, the particular trust is the same type of trust.”

(2) Subsection 1 applies from the taxation year 2008. However, when paragraph *j* of section 692.5 of the Act applies to the taxation year 2008, it is to be read as if “, a registered supplementary unemployment benefit plan or a tax-free savings account” was replaced by “or a registered supplementary unemployment benefit plan”.

**101.** Section 692.8 of the Act, amended by section 233 of chapter 5 of the statutes of 2009, is again amended by replacing “there is a disposition of property” in the portion of the first paragraph before subparagraph *a* by “there is a qualifying disposition of property”.

**102.** (1) The Act is amended by inserting the following sections after section 693.1:

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

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer's taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the "interposed fiscal period") of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this subparagraph *a*, of the interposed partnership described in subparagraph *i* at the end of the interposed partnership's interposed fiscal period; and

(b) the taxpayer's share in an amount in respect of the given partnership for the given fiscal period is deemed to be equal to the proportion of that amount represented by the proportion obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership's given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in subparagraph *a* of which the interposed partnership is a member at the end of that particular fiscal period.

If the first paragraph applies for the purpose of determining an amount that a corporation may deduct under Title V because of section 714, subparagraph *b* of that paragraph is to be read as follows:

"(b) the proportion of the taxpayer's share in the given partnership for the given fiscal period is deemed to be equal to the product obtained by multiplying the proportion of the taxpayer's share in the interposed partnership of which the taxpayer is directly a member for the interposed partnership's interposed fiscal period, by

i. if there is only one interposed partnership, the proportion of the interposed partnership's share in the given partnership for the given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the proportion of an interposed partnership's share in the particular partnership referred to in

subparagraph *a* of which the interposed partnership is a member at the end of the particular partnership's particular fiscal period for that particular fiscal period.”

“**693.3.** Section 693.2 does not apply in respect of a taxpayer, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the taxpayer and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the taxpayer to be able to deduct, in computing the taxpayer's taxable income for a taxation year under a provision of this Book, an amount greater than the amount that the taxpayer could have so deducted for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of a taxpayer that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the taxpayer had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) In addition, when section 693.2 of the Act applies to a taxation year that ends before 21 December 2002, the definition of “agreed proportion” in section 1.8 of the Act has effect for the purposes of subparagraph *b* of the first paragraph of that section 693.2.

(4) If subsection 1 applies to a taxation year of a taxpayer because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the taxpayer on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the taxpayer as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**103.** (1) The heading of Title I.0.0.1 of Book IV of Part I of the Act is replaced by the following heading:

“INCLUSION OF CERTAIN AMOUNTS”.

(2) Subsection 1 applies from the taxation year 2008.

**104.** (1) The Act is amended by inserting the following section after section 694.0.0.2, enacted by section 235 of chapter 5 of the statutes of 2009:

**“694.0.0.3.** An individual shall, in computing the individual’s taxable income for a taxation year, include an amount received by the individual in the year as a payment under a registered disability savings plan, to the extent provided for in section 905.0.14.”

(2) Subsection 1 applies from the taxation year 2008.

**105.** (1) Section 710 of the Act, amended by section 236 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “the Agence de la Francophonie” in subparagraph v.1 of paragraph *a* by “the Organisation internationale de la Francophonie”;

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

“(a.1) the aggregate of all amounts each of which is an amount determined under section 710.0.0.2 in respect of property that is the subject of an eligible medical gift made by the corporation in the year or in any of the five preceding taxation years;”.

(2) Paragraph 1 of subsection 1 has effect from 23 November 2005.

(3) Paragraph 2 of subsection 1 applies in respect of a gift made after 18 March 2007.

**106.** (1) The Act is amended by inserting the following sections after section 710:

**“710.0.0.1.** For the purposes of paragraph *a.1* of section 710, an eligible medical gift of a corporation means a gift the eligible amount of which is included in the aggregate described in paragraph *a* of section 710, if

(a) the corporation has directed the donee to apply the gift to charitable activities outside Canada;

(b) the property that is the subject of the gift is a medicine that is available for the donee’s use at least six months prior to its expiration date, within the meaning of the Food and Drug Regulations made under the Food and Drugs Act (Revised Statutes of Canada, 1985, chapter F-27);

(c) the property qualifies as a drug, within the meaning of the Food and Drugs Act, and the drug

i. meets the requirements of the Food and Drugs Act, or would meet those requirements if that Act were read without reference to subsection 1 of its section 37,

ii. is not a food, cosmetic or device (as those terms are defined in the Food and Drugs Act), a natural health product (as defined in the Natural Health Products Regulations made under the Food and Drugs Act) or a veterinary drug;

(d) the property that is the subject of the gift was, immediately before the making of the gift, described in an inventory in respect of a business of the corporation; and

(e) the donee is a registered charity described in paragraph *e* of subsection 8 of section 110.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

**“710.0.0.2.** The amount to which paragraph *a.1* of section 710 refers, in respect of property, is the amount determined by the formula

$$A \times B/C.$$

In the formula in the first paragraph,

(a) *A* is the lesser of the cost to the corporation of the property and 50% of the amount by which the corporation’s proceeds of disposition of the property in respect of the gift exceeds the cost to the corporation of the property;

(b) *B* is the eligible amount of the gift; and

(c) *C* is the corporation’s proceeds of disposition of the property in respect of the gift.”

(2) Subsection 1 applies in respect of a gift made after 18 March 2007. However, when section 710.0.0.1 of the Act applies in respect of a gift made before 1 July 2008,

(1) paragraph *b* and the portion of paragraph *c* of that section before subparagraph *i* are to be read as follows:

“(b) in the case of a gift made before 3 October 2007, the property that is the subject of the gift is medicine;

“(c) in the case of a gift made after 2 October 2007, the property that is the subject of the gift is a medicine that qualifies as a drug, within the meaning of the Food and Drugs Act (Revised Statutes of Canada, 1985, chapter F-27), and the drug”; and

(2) paragraph *e* of that section is to be read as follows:

“(e) the donee is a registered charity that has received a disbursement under a program of the Canadian International Development Agency.”

**107.** The Act is amended by inserting the following section after section 725.0.2:

“**725.0.3.** A corporation may deduct an amount that it includes in computing its income for the year under paragraph *g* of section 312 and that is an amount received as a prize for achievement in a field of endeavour ordinarily carried on by the corporation.”

**108.** (1) The Act is amended by inserting the following sections after the heading of Title V.1 of Book IV of Part I:

“**725.1.3.** In this Title,

“qualified corporation” for a particular calendar year means a corporation that meets the following conditions:

(a) in the particular calendar year, the corporation operates a business in Québec and has an establishment in Québec;

(b) the assets shown in its financial statements submitted to the shareholders or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown had such financial statements been prepared in accordance with generally accepted accounting principles, for its taxation year that ended in the calendar year that precedes the particular calendar year or, if the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$50,000,000; and

(c) an amount is deemed, under any of Divisions II, II.1, II.2.1, II.3 and II.3.0.1 of Chapter III.1 of Title III of Book IX, to have been paid to the Minister by the qualified corporation for its taxation year that ended in the particular calendar year or for any of its three preceding taxation years;

“qualifying person” has the meaning assigned by section 47.18;

“security” has the meaning assigned by section 47.18.

“**725.1.4.** For the purposes of paragraph *b* of the definition of “qualified corporation” in section 725.1.3, the following rules apply in computing the assets of such a corporation at the time referred to in that paragraph:

(a) the amount of the surplus reassessment of its property and the amount of its incorporeal assets are to be subtracted, to the extent that the amount shown in their respect exceeds the expenditure made in their respect; and

(b) if all or part of an expenditure made in respect of incorporeal assets consists of shares of the corporation's capital stock, all or part of the expenditure, as the case may be, is deemed to be nil.

**“725.1.5.** For the purposes of the definition of “qualified corporation” in section 725.1.3, the assets of a corporation that is associated in a taxation year with one or more other corporations are equal to the amount by which the aggregate of the assets of the corporation and those of each corporation associated with it, determined in accordance with that definition and section 725.1.4, exceeds the aggregate of the amount of investments the corporations own in each other and the balance of accounts between the corporations.

**“725.1.6.** For the purposes of paragraph *b* of the definition of “qualified corporation” in section 725.1.3 and sections 725.1.4 and 725.1.5, if a corporation or another corporation with which it is associated reduces its assets by any transaction in a taxation year and, but for that reduction, the corporation would not be a qualified corporation, the assets are deemed not to have been so reduced unless the Minister decides otherwise.”

(2) Subsection 1 has effect from 14 March 2008.

**109.** (1) The Act is amended by inserting the following section after section 725.2:

**“725.2.0.1.** When section 725.2 applies in respect of a security of a qualifying person that is a qualified corporation for a particular calendar year that includes the time at which an individual acquires rights under an agreement referred to in section 48 to acquire the security, it is to be read as if “25%” in the portion before paragraph *a* was replaced by “50%” and without reference to subparagraphs ii and iii of paragraph *c*.”

(2) Subsection 1 applies in respect of a transaction, circumstance or event as a consequence of which a benefit is deemed to have been received by an individual under section 49 or any of sections 50 to 52.1 of the Act, in respect of rights under an agreement referred to in section 48 of the Act and entered into after 13 March 2008.

**110.** (1) Section 725.2.2 of the Act is amended

(1) by striking out “other than a private foundation,” in the portion before paragraph *a*;

(2) by adding the following paragraph:

“For the purposes of the first paragraph, if a gift is made to a private foundation after 18 March 2007 and subsection 8 of section 149.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies to the foundation in respect of a class of shares of the capital stock of

a corporation, the portion of that paragraph before subparagraph *a* is to be read as if “other than a private foundation,” was inserted after “qualified donee.””

(2) Subsection 1 has effect from 19 March 2007.

**111.** (1) The Act is amended by inserting the following section after section 725.2.3:

**“725.2.4.** If the amount payable by an individual to acquire a security from a qualifying person under an agreement referred to in section 48 is reduced at a particular time and the conditions set out in the second paragraph are satisfied, the following rules apply:

(*a*) rights (in this section referred to as the “old rights”) under the agreement immediately before the particular time are deemed to have been disposed of by the individual immediately before the particular time;

(*b*) rights (in this section referred to as the “new rights”) under the agreement at the particular time are deemed to be acquired by the individual at the particular time; and

(*c*) the individual is deemed to receive the new rights as consideration for the disposition of the old rights.

The conditions to which the first paragraph refers are as follows:

(*a*) the individual could not, but for this section, deduct an amount under section 725.2 if the individual acquired the security under the agreement immediately after the particular time; and

(*b*) the individual could deduct an amount under section 725.2 if the individual

i. disposed of the old rights immediately before the particular time,

ii. acquired the new rights at the particular time as consideration for the disposition of the old rights, and

iii. acquired the security under the agreement immediately after the particular time.”

(2) Subsection 1 applies in respect of the reduction of an amount that occurs after 31 December 1998.

**112.** (1) The Act is amended by inserting the following section after section 725.3:



**“725.3.1.** When section 725.3 applies in respect of a share of the capital stock of a corporation that is a qualified corporation for a particular calendar year that includes the time at which an individual acquires rights under an agreement referred to in section 48 to acquire the share, it is to be read as if “25%” in the portion before paragraph *a* was replaced by “50%”.”

(2) Subsection 1 applies in respect of a transaction, circumstance or event as a consequence of which a benefit is deemed to have been received by an individual under section 49 of the Act, in respect of rights under an agreement referred to in section 48 of the Act and entered into after 13 March 2008.

**113.** (1) The Act is amended by inserting the following section after section 725.7.1:

**“725.7.2.** An individual may deduct, in computing the individual’s taxable income for a taxation year, the aggregate of all amounts each of which is an amount paid in the year as a repayment, under the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35), of an amount that was included because of section 905.0.14 in computing the individual’s taxable income for the year or for a preceding taxation year.”

(2) Subsection 1 applies from the taxation year 2008.

**114.** (1) Section 726.6 of the Act is amended by replacing “130R46” in the following provisions of the first paragraph by “130R88”:

— subparagraph v of subparagraph *a.2*;

— subparagraph iv of subparagraph *e*.

(2) Subsection 1 has effect from 4 March 2009.

**115.** (1) Section 726.7 of the Act, amended by section 244 of chapter 5 of the statutes of 2009, is again amended by replacing “\$250,000” in the formula in subparagraph *a* of the first paragraph by “\$375,000”.

(2) Subsection 1 applies to a taxation year that begins after 19 March 2007.

**116.** (1) The Act is amended by inserting the following section after section 726.7.2:

**“726.7.3.** In computing the taxable income of an individual (other than a trust) for the individual’s taxation year that includes 19 March 2007 (in this section referred to as the “transition year”), the individual shall deduct, if the individual was resident in Canada throughout the transition year and the individual disposed of in the transition year, and after 18 March 2007, a qualified farm property of the individual, a qualified small business corporation share of the individual or a qualified fishing property of the individual, an amount equal to the least of

(a) \$125,000;

(b) the amount by which the individual's cumulative gains limit at the end of the transition year exceeds the aggregate of all amounts deducted by the individual under sections 726.7 to 726.7.2 in computing the individual's taxable income for the transition year;

(c) the amount by which the individual's annual gains limit for the transition year exceeds the aggregate of all amounts deducted by the individual under sections 726.7 to 726.7.2 in computing the individual's taxable income for the transition year;

(d) the amount that would be determined in respect of the individual for the transition year under paragraph *b* of section 28 in respect of capital gains and capital losses if the only properties referred to in that paragraph were qualified farm properties of the individual, qualified small business corporation shares of the individual and qualified fishing properties of the individual, disposed of by the individual after 18 March 2007; and

(e) the amount that is allowed as a deduction in computing the individual's taxable income for the transition year for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) under subsection 2.3 of section 110.6 of that Act or, if the amount that is so allowed as a deduction is equal to the maximum amount that the individual may claim as a deduction in that computation under that subsection, the amount that the individual specifies and that is not less than that maximum amount.

Sections 21.4.6 and 21.4.7 apply, with the necessary modifications, in relation to a deduction claimed under subsection 2.3 of section 110.6 of the Income Tax Act."

(2) Subsection 1 applies to a taxation year that ends after 18 March 2007.

**117.** (1) Section 726.9 of the Act is replaced by the following section:

**"726.9.** Despite sections 726.7 to 726.7.2, the total amount that may be deducted under this Title in computing an individual's taxable income for a taxation year must not exceed the total of the amount determined by the formula in subparagraph *a* of the first paragraph of section 726.7 in respect of the individual for the year and the amount that may be deducted under section 726.7.3 in respect of the individual for the year."

(2) Subsection 1 applies to a taxation year that ends after 18 March 2007.

**118.** (1) Section 726.10 of the Act is amended by replacing "726.7.2" by "726.7.3".

(2) Subsection 1 applies to a taxation year that ends after 18 March 2007.

**119.** (1) Section 726.11 of the Act is amended by replacing “726.7.2” in the portion before paragraph *a* by “726.7.3”.

(2) Subsection 1 applies to a taxation year that ends after 18 March 2007.

**120.** (1) Section 726.13 of the Act is amended

(1) by replacing “726.7.2” in the portion before paragraph *a* by “726.7.3”;

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

“(a) that includes a dividend received by a corporation to which dividend section 308.1 does not apply but would apply if this Act were read without reference to section 308.3; or”.

(2) Paragraph 1 of subsection 1 applies to a taxation year that ends after 18 March 2007.

(3) Paragraph 2 of subsection 1 applies to a taxation year that ends after 1 May 2006.

**121.** (1) Section 726.14 of the Act is amended by replacing “726.7.2” by “726.7.3”.

(2) Subsection 1 applies to a taxation year that ends after 18 March 2007.

**122.** (1) The Act is amended by inserting the following section after section 726.19:

“**726.19.1.** The second paragraph applies to an individual for a taxation year that begins after 19 March 2007 if

(a) in the taxation year the individual has a taxable capital gain from the disposition, before 19 March 2007, of a qualified farm property of the individual, a qualified small business corporation share of the individual or a qualified fishing property of the individual; and

(b) the aggregate of all amounts each of which is an amount of a taxable capital gain of the individual described in subparagraph *a* exceeds the amount that would be determined in respect of the individual for the year by the formula in subparagraph *a* of the first paragraph of section 726.7 if the formula were read as if “\$375,000” was replaced by “\$250,000” (the amount of which excess being referred to in the second paragraph as the “denied excess”).

Despite sections 726.7 to 726.7.2, no amount may be deducted under this Title for the taxation year by the individual in respect of the individual’s taxable capital gains for the year described in subparagraph *a* of the first paragraph to the extent of the denied excess.”

(2) Subsection 1 applies to a taxation year that begins after 19 March 2007.

**123.** (1) Section 726.20.1 of the Act is amended

(1) by inserting “530 to 533,” before “536 to 539” in subparagraph *i* of paragraph *c* of the definition of “resource property” in the first paragraph;

(2) by replacing “of the individual from the disposition of the other property at the time of the substitution” in subparagraph *ii* of paragraph *a* of the definition of “eligible taxable capital gain amount” in the first paragraph by “of the individual from the disposition, at the time of such a substitution, of the other property or of a property substituted for the other property”;

(3) by replacing “of the partnership from the disposition of the other property at the time of the substitution” in subparagraph *iv* of paragraph *a* of the definition of “eligible taxable capital gain amount” in the first paragraph by “of the partnership from the disposition, at the time of such a substitution, of the other property or of a property substituted for the other property”;

(4) by inserting “subject to the fourth paragraph,” before “nil, where the particular property” in paragraph *c* of the definition of “eligible taxable capital gain amount” in the first paragraph;

(5) by replacing “réfère la partie du paragraphe *a* de la définition de l’expression «partie admise du gain en capital imposable» prévue au premier alinéa, qui précède le sous-paragraphe *i*,” in the portion of the second paragraph before subparagraph *a* in the French text by “la partie du paragraphe *a* de la définition de l’expression «partie admise du gain en capital imposable» prévue au premier alinéa qui précède le sous-paragraphe *i* fait référence”;

(6) by adding the following paragraphs after the third paragraph:

“When paragraph *c* of the definition of “eligible taxable capital gain amount” in the first paragraph applies

(*a*) to a taxation year that ends after 18 March 2007 and that includes 19 March 2007, it is to be read as follows:

“(c) nil, where the particular property is property described in any of sections 726.7 to 726.7.2 and the amount by which the total of the amount determined in respect of the individual for the year by the formula provided for in subparagraph *a* of the first paragraph of section 726.7 and, if the particular property was disposed of after 18 March 2007, \$125,000, exceeds the amount, if any, deducted under Title VI.5 by the individual in computing the individual’s taxable income for the year, otherwise than under section 726.7.3 if the particular property was disposed of before 19 March 2007, is not nil;”; and

(b) to a taxation year that begins after 19 March 2007 in relation to a resource property the disposition of which occurred before that date, it is to be read as follows:

“(c) nil, where the particular property is property described in any of sections 726.7 to 726.7.2 and the amount by which the amount that would be determined in respect of the individual for the year by the formula provided for in subparagraph *a* of the first paragraph of section 726.7 if the formula were read as if “\$375,000” was replaced by “\$250,000”, exceeds the amount, if any, deducted under Title VI.5 by the individual in computing the individual’s taxable income for the year is not nil;”.

“For the purposes of paragraph *d* of the definition of “resource property” in the first paragraph, if an individual makes an election under subparagraph ii of that paragraph *d*, the following rules apply:

(a) the election is not valid unless it was made on behalf of the individual and of each other individual who is a member of the partnership and the individual had authority to act for the partnership;

(b) if the election is valid because of subparagraph *a*, each other individual who is a member of the partnership in the fiscal period is deemed to have made the election; and

(c) despite subparagraph *a*, an election deemed to have been made by a member under paragraph *b* is deemed to be a valid election made by that member.”

(2) Paragraph 4 of subsection 1 and paragraph 6 of subsection 1, when it enacts the fourth paragraph of section 726.20.1 of the Act, apply to a taxation year that ends after 18 March 2007.

**124.** (1) Section 726.29 of the Act is amended by replacing the third paragraph by the following paragraph:

“The first paragraph does not apply if the disposition by a member of a preferred share issued by a cooperative results

(a) from the amalgamation, within the meaning of section 544, or from the winding-up of the cooperative and, as a consequence of the amalgamation or winding-up, the member receives from another cooperative a new preferred share issued by the other cooperative to replace the preferred share so disposed of; or

(b) from the conversion of that share or from the reorganization of the capital stock of the cooperative and, as a consequence of the conversion or reorganization, the member receives from the cooperative a new preferred share to replace the preferred share so disposed of.”

(2) Subsection 1 applies in respect of the disposition of a preferred share made after 20 June 2008.

**125.** (1) Section 726.32 of the Act is amended by inserting “, 1138.2.6” after “1138.2.5” in paragraph *a*.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**126.** Section 726.33 of the Act is amended

(1) by replacing subparagraphs *c* and *d* of the second paragraph by the following subparagraphs:

“(c) C is the aggregate of all amounts each of which is the amount obtained by multiplying the individual’s share of the partnership’s income for its fiscal period that ends in the year deriving from the partnership’s eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership’s fiscal period that are included in the partnership’s eligibility period in respect of the private woodlot, is of the number of days in the fiscal period; and

“(d) D is the aggregate of all amounts each of which is the amount obtained by multiplying the individual’s share of the partnership’s loss for its fiscal period that ends in the year deriving from the partnership’s eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership’s fiscal period that are included in the partnership’s eligibility period in respect of the private woodlot, is of the number of days in the fiscal period.”;

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

“For the purposes of subparagraphs *c* and *d* of the second paragraph, the share, for a fiscal period of a partnership, of an individual who is a member of the partnership of the income or loss of the partnership deriving from the partnership’s eligible activities for the fiscal period in respect of a private woodlot, is equal to the agreed proportion of the income or loss in respect of the individual for the fiscal period.”

**127.** Section 726.34 of the Act is amended

(1) by replacing subparagraphs *c* and *d* of the second paragraph by the following subparagraphs:

“(c) C is the aggregate of all amounts each of which is the amount obtained by multiplying the qualified corporation’s share of the partnership’s income for its fiscal period that ends in the year deriving from the partnership’s eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership’s fiscal period that are included in the partnership’s eligibility period in respect of the private woodlot, is of the number of days in the fiscal period; and

“(d) D is the aggregate of all amounts each of which is the amount obtained by multiplying the qualified corporation’s share of the partnership’s loss for its fiscal period that ends in the year deriving from the partnership’s eligible activities for that fiscal period in respect of a private woodlot by the proportion that the number of days in the partnership’s fiscal period that are included in the partnership’s eligibility period in respect of the private woodlot, is of the number of days in the fiscal period.”;

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

“For the purposes of subparagraphs *c* and *d* of the second paragraph, the share, for a fiscal period of a partnership, of a qualified corporation that is a member of the partnership of the income or loss of the partnership deriving from the partnership’s eligible activities for the fiscal period in respect of a private woodlot, is equal to the agreed proportion of the income or loss in respect of the qualified corporation for the fiscal period.”

**128.** (1) The Act is amended by inserting the following sections after section 726.35:

“**726.36.** In this Title, the following rules apply in respect of a taxpayer if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and a given partnership that is a forest producer certified under the Forest Act (chapter F-4.1) in respect of a private woodlot at the end of a given fiscal period of the given partnership:

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer’s particular taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member (in this section referred to as the “last interposed partnership”), if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period;

(b) the taxpayer is deemed to be a member of the given partnership at the end of the particular taxation year if

i. the taxpayer is a member of the last interposed partnership throughout the part of the particular taxation year that begins immediately after the end of that interposed partnership’s interposed fiscal period, and

ii. in the period described in subparagraph i, the link between the taxpayer and the given partnership did not cease to exist as a result of the interposed partnership ceasing, in the part of the interposed fiscal period of an interposed partnership that begins immediately after the end of the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership was a member at that time, to be a member of that particular partnership;

(c) for the purpose of determining the taxpayer's share in an amount in respect of the given partnership for the given fiscal period, the agreed proportion in respect of the taxpayer for that fiscal period of the given partnership is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the last interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership's given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period; and

(d) the taxpayer is deemed to cease to be a member of the given partnership in a taxation year subsequent to the particular year, if any of the following events occurs and, as a result, the link between the taxpayer and that given partnership ceases to exist:

i. at a particular time in that subsequent taxation year, the taxpayer ceases to be a member of the last interposed partnership,

ii. the last interposed partnership ceases, at a particular time in its subsequent fiscal period that ends in that subsequent taxation year, to be a member of the particular partnership whose particular fiscal period ends in that subsequent fiscal period, or

iii. an interposed partnership ceases, at a particular time in its subsequent fiscal period that would be deemed to end in the subsequent taxation year if paragraph *a* were applied to that interposed partnership for that fiscal period, without reference to the event described in this subparagraph, to be a member of the particular partnership whose particular fiscal period ends in the subsequent fiscal period.

**“726.37.** Section 726.36 does not apply in respect of a taxpayer, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the taxpayer and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of



operations or transactions, one of the purposes of which is to cause the taxpayer to be able to deduct, in computing the taxpayer's taxable income for a taxation year under this Title, an amount greater than the amount that the taxpayer could have so deducted for that taxation year, but for that interposition."

(2) Subsection 1 applies to a taxation year of a taxpayer that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the taxpayer had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) However, when section 726.36 of the Act applies before 4 June 2009, the portion of paragraph *c* before subparagraph i is to be read as follows:

"(c) for the purpose of determining the taxpayer's share in an amount in respect of the given partnership for the given fiscal period, the proportion that the taxpayer's share of the income or loss of the given partnership for the given fiscal period is of the income or loss of that given partnership for that fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the last interposed partnership of which the taxpayer is directly a member, by".

(4) In addition, when section 726.36 of the Act applies to a taxation year that ends before 21 December 2002, the definition of "agreed proportion" in section 1.8 of the Act has effect for the purposes of paragraph *c* of that section 726.36.

(5) If subsection 1 applies to a taxation year of a taxpayer because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the taxpayer on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the taxpayer as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**129.** (1) Section 728.0.1 of the Act is amended

- (1) by inserting “725.0.3,” after “725,” in subparagraph ii of paragraph *a*;
- (2) by replacing “*c* or *d*” in the portion of paragraph *b* before subparagraph i by “*c*, *c.1*, *c.2* or *d*”;
- (3) by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. the amount by which the aggregate of the amounts deducted by the taxpayer in computing the taxpayer’s taxable income under sections 725.7.1 and 725.7.2, or that the taxpayer could have so deducted if the taxpayer’s income had been sufficient for that purpose, exceeds the aggregate of the amounts the taxpayer is required to include in computing the taxpayer’s taxable income under sections 694.0.0.1 and 694.0.0.3.”

- (2) Paragraph 2 of subsection 1 applies to a taxation year that ends after 18 March 2007.
- (3) Paragraph 3 of subsection 1 applies from the taxation year 2008.

**130.** (1) Section 737.18.14 of the Act, amended by section 253 of chapter 5 of the statutes of 2009, is again amended by replacing the definition of “eligible activities” in the first paragraph by the following definition:

““eligible activities” of a corporation or partnership, in relation to a major investment project, means, subject to section 737.18.16.1, the activities or portion of the activities carried on by the corporation or partnership in the course of carrying on the recognized business in connection with which the major investment project is carried out or is in the process of being carried out, that arise from the major investment project, except, in respect of the activities of a corporation, the portion of the activities of the corporation that are carried on under a contract that is an eligible contract for the purposes of Division II.6.0.1.8 of Chapter III.1 of Title III of Book IX or that are eligible activities for the purposes of Division II.6.0.1.9 of that Chapter III.1;”.

- (2) Subsection 1 has effect from 14 March 2008.

**131.** Section 737.18.18 of the Act, amended by section 255 of chapter 5 of the statutes of 2009, is again amended, in the definition of “excluded activity” in the first paragraph,

- (1) by replacing paragraph *m* by the following paragraph:

“(*m*) an activity engaged in as part of the operation of a service sector business in relation in particular to transportation or storage, administrative or financial services, wholesale or retail trade, lodging or restaurant services,

including any preparation of meals or beverages ordered by customers for immediate consumption on the premises or outside the establishment where the meals or beverages are prepared, or personal services;”;

(2) by striking out paragraphs *n* to *q*.

**132.** Section 737.18.20 of the Act is amended, in the second paragraph,

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

“(b) a partnership is deemed to be a corporation all the voting shares in the capital stock of which are owned at that time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time; and”;

(2) by replacing “in this paragraph” in subparagraph *i* of subparagraph *c* by “in this subparagraph *c*”.

**133.** (1) Section 737.18.25 of the Act is amended by inserting “, 1138.2.6” after “1138.2.5” in subparagraph *i* of paragraph *a*.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**134.** (1) Section 750.2 of the Act, amended by section 260 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “next before” in subparagraph *b* of the second paragraph by “immediately before”;

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

“(e) the amounts of \$1,180, \$1,465, \$2,000 and \$2,200, wherever they are mentioned in section 752.0.7.4;”.

(2) Paragraph 2 of subsection 1 applies from the taxation year 2010. In addition, when subparagraph *e* of the fourth paragraph of section 750.2 of the Act applies to the taxation year 2009, it is to be read as if “and \$1,465” was replaced by “, \$1,465 and \$2,200”.

**135.** (1) Section 752.0.7.4 of the Act, amended by section 275 of chapter 5 of the statutes of 2009, is again amended by replacing “\$1,500” in subparagraph *ii* of paragraphs *a* and *b* by “\$2,000”.

(2) Subsection 1 applies from the taxation year 2009.

**136.** (1) Section 752.0.8 of the Act is amended by inserting the following subparagraph after subparagraph *iii* of paragraph *a*:

“iii.1. a payment, other than a payment described in subparagraph i, payable on a periodic basis under a money purchase provision, within the meaning assigned by section 965.0.1, of a registered pension plan,”.

(2) Subsection 1 applies from the taxation year 2004.

**137.** (1) Section 752.0.10.1 of the Act, amended by section 279 of chapter 5 of the statutes of 2009, is again amended, in the first paragraph,

(1) by replacing paragraph *b* of the definition of “non-qualifying security” by the following paragraph:

“(b) a share, other than a share listed on a Canadian stock exchange or a foreign stock exchange, of the capital stock of a corporation with which the individual or the succession or, if the individual is a trust, a person affiliated with the trust, does not deal at arm’s length immediately after that time;”;

(2) by inserting the following paragraph after paragraph *b* of the definition of “non-qualifying security”:

“(b.1) a beneficial interest of the individual or the succession in a trust that

i. immediately after that time is affiliated with the individual or the succession, or

ii. holds, immediately after that time, a non-qualifying security of the individual or succession, or held, at or before that time, a share described in paragraph *b* that is, after that time, held by the donee; or”;

(3) by replacing paragraph *c* of the definition of “non-qualifying security” by the following paragraph:

“(c) any other security, other than a security listed on a Canadian stock exchange or a foreign stock exchange, issued or contracted by the individual or the succession or by any person or partnership with which the individual or the succession does not deal at arm’s length immediately after that time or, if the person is a trust, with which the individual or the succession is affiliated immediately after that time;”;

(4) by replacing “the Agence de la Francophonie” in paragraph *e.1* of the definition of “total charitable gifts” by “the Organisation internationale de la Francophonie”.

(2) Paragraphs 1 to 3 of subsection 1 apply in respect of a gift made after 18 March 2007.

(3) Paragraph 4 of subsection 1 has effect from 23 November 2005.

**138.** Section 752.0.10.5 of the Act is amended by replacing “allowed as a deduction under the United States Internal Revenue Code” by “deductible under the United States Internal Revenue Code of 1986, as amended from time to time”.

**139.** Section 752.0.10.10.3 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purposes of this chapter, except section 752.0.10.10.2, and of sections 985.1 to 985.22, 985.24 and 985.25, the transfer described in section 752.0.10.10.2 is deemed to be a gift made immediately before the individual’s death by the individual to the qualified donee referred to in section 752.0.10.10.2; and”.

**140.** (1) Section 752.0.10.10.4 of the Act is amended by replacing the portion before paragraph *c* by the following:

“**752.0.10.10.4.** The rules set out in section 752.0.10.10.5 apply to an individual, in respect of an arrangement that is a registered retirement savings plan, registered retirement income fund or tax-free savings account, if

(a) by reason of the individual’s death, a transfer of money, or a transfer by means of a negotiable instrument, is made, from the arrangement (other than an arrangement of which a licensed annuities provider is the issuer or carrier) to a qualified donee, solely because of the donee’s right or interest as a beneficiary under the arrangement;

(b) immediately before the individual’s death, the individual was the annuitant or holder under the arrangement; and”.

(2) Subsection 1 applies from the taxation year 2009.

**141.** (1) Section 752.0.10.10.5 of the Act is replaced by the following section:

“**752.0.10.10.5.** The rules to which section 752.0.10.10.4 refers in respect of an individual are as follows:

(a) for the purposes of this chapter, except section 752.0.10.10.4, and of sections 985.1 to 985.22, 985.24 and 985.25, the transfer referred to in section 752.0.10.10.4 is deemed to be a gift made immediately before the individual’s death by the individual to the qualified donee referred to in section 752.0.10.10.4; and

(b) the fair market value of the gift is deemed to be equal to the fair market value, at the time of the individual’s death, of the right to the transfer, determined without reference to any risk of default with regard to the obligations of the issuer of the arrangement described in section 752.0.10.10.4.”

(2) Subsection 1 applies from the taxation year 2009.

**142.** (1) Section 752.0.10.11 of the Act, amended by section 281 of chapter 5 of the statutes of 2009, is again amended by adding the following paragraphs at the end:

“For the purposes of the first paragraph, the following rules apply to an individual if one or more partnerships (each of which is in this paragraph referred to as an “interposed partnership”) are interposed between the individual and a given partnership, for a given fiscal period of the given partnership:

(a) the individual is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the individual’s taxation year in which ends the fiscal period of the interposed partnership of which the individual is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the individual is a member, or deemed to be a member under this subparagraph *a*, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period; and

(b) the proportion of the individual’s share in the given partnership for the given fiscal period is deemed to be equal to the product obtained by multiplying the proportion of the individual’s share in the interposed partnership of which the individual is directly a member for the interposed partnership’s interposed fiscal period, by

i. if there is only one interposed partnership, the proportion of the interposed partnership’s share in the given partnership for the given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the proportion of an interposed partnership’s share in the particular partnership referred to in subparagraph *a* of which the interposed partnership is a member for the particular partnership’s particular fiscal period.

The rule set out in the second paragraph does not apply in respect of an individual, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the individual and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the eligible amount of a gift that is attributed to the individual under the first

paragraph for a taxation year to be greater than the amount that would have been so attributed to the individual for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of an individual that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the individual had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) However, if section 752.0.10.11 of the Act applies in relation to a gift made before 21 December 2002, the third paragraph is to be read as if “the eligible amount of a gift” was replaced by “a gift”.

(4) If subsection 1 applies to a taxation year of an individual because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the individual on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the individual as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**143.** (1) The Act is amended by inserting the following section after section 752.0.10.17:

**“752.0.10.17.1.** For the purposes of section 752.0.10.16, if a donee disposes of a beneficial interest in a trust that is a non-qualifying security of an individual in circumstances where paragraph *c* of section 752.0.10.16 would, but for this section, apply in respect of the disposition, and in respect of which the donee receives no consideration other than other non-qualifying securities of the individual, the gift referred to in section 752.0.10.16 is deemed to be a gift of those other non-qualifying securities.”

(2) Subsection 1 applies in respect of a gift made after 18 March 2007.

**144.** (1) Section 752.0.10.18 of the Act is amended by replacing the portion of subparagraph ii of subparagraph *b* of the first paragraph before subparagraph 1 by the following:

“ii. both”.

(2) Subsection 1 applies in respect of a gift made after 18 March 2007.

**145.** (1) Section 752.0.11.1 of the Act, amended by section 288 of chapter 5 of the statutes of 2009, is again amended

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

“(c) for drugs, medicaments or other preparations or substances (other than those listed in paragraph *d*)

i. for use in the diagnosis, treatment or prevention of a disease, disorder or abnormal physical state, or its symptoms, or in restoring, correcting or modifying an organic function,

ii. that can lawfully be acquired for use by a person only if prescribed by a practitioner or dentist, and

iii. the purchase of which is recorded by a pharmacist;”;

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

“(c.1) for drugs, medicaments or other preparations or substances that are prescribed by regulation;”;

(3) by adding “, other than amounts paid to the operator of a residence for the elderly, within the meaning of the first paragraph of section 1029.8.61.1” at the end of paragraph *k*;

(4) by inserting the following subparagraph after subparagraph *i* of paragraph *m.1*:

“i.1. no part of the remuneration constitutes an expense in respect of which the individual referred to in section 752.0.11, or the person who is the individual’s spouse at the time the remuneration is paid, may be deemed to have paid an amount to the Minister on account of the individual’s tax payable, for a taxation year, under Division II.11.1 of Chapter III.1 of Title III of Book IX,”;

(5) by replacing “totally blind or profoundly deaf or has” in the portion of paragraph *o* before subparagraph *i* by “blind or profoundly deaf or has severe autism, severe epilepsy or”.



(2) Paragraphs 1 and 2 of subsection 1 apply in respect of costs incurred after 26 February 2008.

(3) Paragraphs 3 and 4 of subsection 1 apply in respect of an amount paid after 31 December 2007.

(4) Paragraph 5 of subsection 1 applies from the taxation year 2008.

**146.** Section 752.0.18.3 of the Act, amended by section 185 of chapter 11 of the statutes of 2008, is again amended by inserting “other than Québec” after “province” in paragraph *d*.

**147.** (1) Section 766.2 of the Act, amended by section 300 of chapter 5 of the statutes of 2009, is again amended

(1) by inserting “positive or negative” after “is equal to the” in the portion of the third paragraph before the formula;

(2) by inserting “, but precedes the taxation year 2007,” after “subsequent to the taxation year 2002” in subparagraph *i* of subparagraph *c* of the fourth paragraph;

(3) by adding the following subparagraph after subparagraph *iv* of subparagraph *c* of the fourth paragraph:

“v. if the taxation year to which the averaging applies is subsequent to the taxation year 2006, the aggregate of

(1) the amount by which the amount that the individual’s eligible spouse for the year, within the meaning of sections 776.41.1 to 776.41.4, has deducted in computing the spouse’s tax otherwise payable for that year under section 776.41.5, exceeds the amount that the spouse could have deducted in computing the spouse’s tax otherwise payable for that year under section 776.41.5, if the portion of each amount subject to an averaging mechanism, in relation to the individual for the particular taxation year or a preceding taxation year, that relates to the taxation year to which the averaging applies had been included or deducted in computing the individual’s taxable income for that year,

(2) the amount by which the amount that a person, other than the individual, has deducted in computing the person’s tax otherwise payable under section 776.41.14 for the taxation year to which the averaging applies, exceeds the amount that the person could have deducted in computing the person’s tax otherwise payable for that year under section 776.41.14, if the portion of each amount subject to an averaging mechanism, in relation to the individual for the particular taxation year or a preceding taxation year, that relates to the taxation year to which the averaging applies had been included or deducted in computing the individual’s taxable income for that year, and

(3) the amount by which the amount that a person, other than the individual, has deducted in computing the person's tax otherwise payable under section 776.41.21 for the taxation year to which the averaging applies, exceeds the amount that the person could have deducted in computing the person's tax otherwise payable for that year under section 776.41.21, if the portion of each amount subject to an averaging mechanism, in relation to the individual for the particular taxation year or a preceding taxation year, that relates to the taxation year to which the averaging applies had been included or deducted in computing the individual's taxable income for that year;"

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

"For the purpose of applying this Part to any taxation year,

(a) an amount that is not otherwise deducted in computing an individual's taxable income or tax payable under this Part for a taxation year to which the averaging applies, but that is deducted for the purpose of establishing the amount determined in respect of the individual under any of subparagraphs *a*, *c* and *d* of the fourth paragraph for that taxation year, is deemed, for the application of this Part to any taxation year, to have been deducted in computing the individual's taxable income or tax payable under this Part for the taxation year to which the averaging applies, including when establishing the amount determined in respect of the individual under any of subparagraphs *a*, *c* and *d* of the fourth paragraph for another taxation year; and

(b) an amount that is otherwise deducted in computing an individual's taxable income or tax payable under this Part for a taxation year that is subsequent to the taxation year to which the averaging applies may not be taken into account for the purpose of establishing the amount determined in respect of the individual under any of subparagraphs *a*, *c* and *d* of the fourth paragraph for the taxation year to which the averaging applies."

(2) Paragraphs 1 and 4 of subsection 1 apply from the taxation year 2007.

(3) Paragraphs 2 and 3 of subsection 1 apply from the taxation year 2008.

**148.** Section 766.17 of the Act is amended by striking out "deemed to be" in the fourth paragraph.

**149.** (1) Section 767 of the Act, amended by section 303 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

"(b) the amount obtained by multiplying the amount the individual is required to include in computing the individual's income for the year under subparagraph *b* of the second paragraph of section 497 by

i. 17.255/45, for the taxation year 2009,

ii. 17.136/44, for the taxation year 2010,

iii. 16.779/41, for the taxation year 2011, and

iv. 16.422/38, for a taxation year subsequent to the taxation year 2011.”

(2) Subsection 1 applies from the taxation year 2009.

**150.** Section 771.1 of the Act, amended by section 312 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *a* of the fifth paragraph by the following subparagraph:

“(a) a partnership is deemed to be a corporation the taxation year of which corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at that time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time; and”.

**151.** (1) Section 771.2.1.9 of the Act, amended by section 314 of chapter 5 of the statutes of 2009, is again amended by replacing “determined for that year in accordance with Title I of Book III of Part IV” in paragraph *b* by “that would be determined for that year in accordance with Title I of Book III of Part IV if no reference were made to section 1138.2.6”.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**152.** (1) Section 771.6 of the Act, amended by section 320 of chapter 5 of the statutes of 2009, is again amended, in the third paragraph,

(1) by inserting “, 1138.2.6” after “1138.0.1” in subparagraph *a*;

(2) by replacing “section 1138.0.1” in subparagraph *c* by “sections 1138.0.1 and 1138.2.6”.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**153.** (1) Section 771.13 of the Act is amended by adding the following subparagraph after subparagraph *g* of the first paragraph:

“(h) the corporation has made an election under the fourth or fifth paragraph of section 1029.8.36.0.3.80 for the year or a preceding taxation year.”

(2) Subsection 1 has effect from 14 March 2008.

**154.** (1) The Act is amended by inserting the following section after section 772.2:

**“772.2.1.** For the purposes of the definition of “non-business-income tax” in section 772.2, an amount paid by a taxpayer for a taxation year as an employee’s contribution under the United States Federal Insurance

Contributions Act (26 U.S.C. ch. 21) is deemed to be an income or profits tax paid by the taxpayer for the year to the government of that country.”

(2) Subsection 1 applies from the taxation year 2004.

**155.** Section 776.41.5 of the Act, amended by section 327 of chapter 5 of the statutes of 2009, is again amended by replacing “specified” in subparagraph *b* of the third paragraph by “claimed as a deduction”.

**156.** (1) Section 776.50 of the Act is amended by replacing “Title VI” in paragraph *a.1* by “Title XII”.

(2) Subsection 1 has effect from 4 March 2009.

**157.** (1) Section 776.54 of the Act is amended

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

(2) by replacing “réfère le paragraphe *b* du premier alinéa” in the second paragraph in the French text by “le paragraphe *b* du premier alinéa fait référence”.

(2) Paragraph 1 of subsection 1 has effect from 4 March 2009.

**158.** (1) Section 779 of the Act, amended by section 332 of chapter 5 of the statutes of 2009, is again amended by replacing “, II.11.4” by “to II.11.5”.

(2) Subsection 1 applies from the taxation year 2008.

**159.** (1) Section 785.0.1 of the Act, amended by section 334 of chapter 5 of the statutes of 2009, is again amended by inserting the following subparagraphs after subparagraph iii of paragraph *a* of the definition of “excluded right or interest”:

“iii.1. a registered disability savings plan,

“iii.2. a tax-free savings account,”.

(2) Subsection 1, when it enacts subparagraph iii.1 of paragraph *a* of the definition of “excluded right or interest” in section 785.0.1 of the Act, applies from the taxation year 2008.

(3) Subsection 1, when it enacts subparagraph iii.2 of paragraph *a* of the definition of “excluded right or interest” in section 785.0.1 of the Act, applies from the taxation year 2009.

**160.** (1) Section 785.5 of the Act, amended by section 341 of chapter 5 of the statutes of 2009, is again amended by replacing “section 146, 146.1 or 146.3 or section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)” in paragraph *k* by “any of sections 146, 146.1, 146.3, 205 and 207.01 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or by section 204 of that Act”.

(2) Subsection 1 applies from the taxation year 2008. However, when paragraph *k* of section 785.5 of the Act applies to the taxation year 2008, it is to be read as if “, 205 and 207.01” was replaced by “and 205”.

**161.** (1) Section 786.1 of the Act is amended by replacing “119.2R3” in paragraph *a* by “119.2R2”.

(2) Subsection 1 has effect from 4 March 2009.

**162.** (1) Section 851.19 of the Act is amended by replacing “or a registered retirement income fund” by “, registered retirement income fund or tax-free savings account”.

(2) Subsection 1 applies from the taxation year 2009.

**163.** (1) Section 890.15 of the Act, amended by section 378 of chapter 5 of the statutes of 2009, is again amended by replacing “twenty-first” in paragraph *b* of the definition of “specified plan” and “twenty-fifth” in paragraph *c* of that definition by “thirty-first” and “thirty-fifth”, respectively.

(2) Subsection 1 applies from the taxation year 2008.

**164.** (1) Section 890.16.1 of the Act is amended by replacing “Chapter I.2 of Title XXIV” by “Chapter III of Title XXXV”.

(2) Subsection 1 has effect from 4 March 2009.

**165.** (1) Section 895 of the Act, amended by section 380 of chapter 5 of the statutes of 2009, is again amended

(1) by inserting the following paragraph after paragraph *f.2*:

“(f.3) the plan provides

i. that an individual is permitted to be designated as a beneficiary under the plan only if

(1) the individual’s Social Insurance Number is provided to the promoter before the designation is made, and

(2) the individual is resident in Canada when the designation is made, or the designation is made in conjunction with a transfer of property into the plan from another registered education savings plan under which the individual was a beneficiary immediately before the transfer, and

ii. that a contribution to the plan in respect of an individual who is a beneficiary under the plan is permitted to be made only if

(1) the individual's Social Insurance Number is provided to the promoter before the contribution is made and the individual is resident in Canada when the contribution is made, or

(2) the contribution is made by means of a transfer from another registered education savings plan under which the individual was a beneficiary immediately before the transfer;";

(2) by replacing "twenty-fifth" in subparagraph *i* of paragraph *g* and "twenty-first" in subparagraph *ii* of that paragraph by "thirty-fifth" and "thirty-first", respectively;

(3) by replacing "thirtieth" in subparagraph *i* of paragraph *h* and "twenty-fifth" in subparagraph *ii* of that paragraph by "fortieth" and "thirty-fifth", respectively;

(4) by replacing "21" in subparagraph 1 of subparagraph *ii* of paragraph *i* by "31";

(5) by replacing "la cotisation est effectuée" in subparagraph 2 of subparagraph *ii* of paragraph *i* in the French text by "la cotisation est versée".

(2) Paragraphs 1 and 5 of subsection 1 have effect from 1 January 2004.

(3) Paragraphs 2 to 4 of subsection 1 apply from the taxation year 2008.

**166.** (1) The Act is amended by inserting the following sections after section 895.0.1:

**"895.0.1.1.** Despite paragraph *f.1* of section 895, an education savings plan may provide for the payment of an educational assistance payment to or for an individual at any time in the six-month period after the particular time at which the individual ceases to be enrolled as a student in a prescribed educational program, if the payment would have complied with that paragraph *f.1* had the payment been made immediately before the particular time.

**"895.0.1.2.** An educational assistance payment that is made at any time in accordance with section 895.0.1.1 but not in accordance with paragraph *f.1* of section 895 is deemed, for the purposes of that paragraph at and after that time, to have been made immediately before the particular time referred to in section 895.0.1.1."

(2) Subsection 1 applies from the taxation year 2008. However, it does not apply in respect of a cessation of enrolment that occurs before 1 January 2008.

**167.** (1) The Act is amended by inserting the following section after section 895.0.2:

**“895.0.3.** Despite paragraph *f.3* of section 895, an education savings plan may provide that an individual’s Social Insurance Number need not be provided in respect of

(a) a contribution made to the plan, if the contract constituting the plan was entered into before 1 January 1999; and

(b) a designation, as a beneficiary under the plan, of an individual who is not resident in Canada, if the individual was not assigned a Social Insurance Number before the designation is made.”

(2) Subsection 1 has effect from 1 January 2004.

**168.** (1) The Act is amended by inserting the following after section 905.0.2:

**“TITLE III.1**

**“REGISTERED DISABILITY SAVINGS PLAN**

**“CHAPTER I**

**“INTERPRETATION AND REGISTRATION**

**“905.0.3.** In this Title,

“assistance holdback amount”, in relation to a disability savings plan, has the meaning assigned by the Canada Disability Savings Regulations made under the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35);

“business number” means the business number assigned under the Act respecting the legal publicity of sole proprietorships, partnerships and legal persons (chapter P-45) or the business number within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

“disability assistance payment”, in relation to a disability savings plan of a beneficiary, means any payment made from the plan to the beneficiary under the plan or to the beneficiary’s succession;

“disability savings plan” of a beneficiary means an arrangement

(a) between an issuer and one or more of the following:

i. the beneficiary,

ii. a person who, at the time the arrangement is entered into, is a qualifying person in relation to the beneficiary, and

iii. the father or mother of the beneficiary who, at the time the arrangement is entered into, is not a qualifying person in relation to the beneficiary but is a holder of another arrangement that is a registered disability savings plan of the beneficiary;

(b) under which one or more contributions are to be made in trust to the issuer to be invested, used or otherwise applied by the issuer for the purpose of making payments from the arrangement to the beneficiary; and

(c) that is entered into in a taxation year in respect of which the beneficiary is an individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions;

“holder” of a disability savings plan at any time means

(a) a person who has, at that time, rights as a person with which the issuer entered into the plan;

(b) a person who has, at that time, rights as a successor or assignee of a person described in paragraph *a* or in this paragraph; or

(c) the beneficiary under the plan if, at that time, the beneficiary is not a person described in paragraph *a* or *b* and has rights under the plan to make decisions, either alone or with other holders of the plan, concerning the plan, unless the only such right is a right to direct that disability assistance payments be made as provided for in subparagraph iii of subparagraph *n* of the first paragraph of section 905.0.6;

“individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions”, in respect of a taxation year, means an individual in respect of whom subparagraphs *a* to *c* of the first paragraph of section 752.0.14 apply for the year;

“issuer”, in relation to a disability savings plan, means a corporation licensed or otherwise authorized under the laws of Canada or of a province to offer in Canada its services as trustee, and with which the Minister responsible for the administration of the Canada Disability Savings Act has entered into an agreement that applies to the plan for the purposes of that Act;

“lifetime disability assistance payments” under a disability savings plan of a beneficiary means disability assistance payments that are identified under the terms of the plan as lifetime disability assistance payments and that, after they begin to be paid, are payable at least annually until the earlier of the day on which the beneficiary dies and the day on which the plan ceases to exist;



“plan trust”, in relation to a disability savings plan, means the trust governed by the plan;

“qualifying person”, in relation to a beneficiary of a disability savings plan, at any time, means

(a) if the beneficiary has not, at or before that time, reached 18 years of age, a person who is, at that time,

i. the father or mother of the beneficiary,

ii. a tutor, curator or other individual who is legally authorized to act on behalf of the beneficiary, or

iii. a public department, agency or institution that is legally authorized to act on behalf of the beneficiary; and

(b) if the beneficiary has, at or before that time, reached 18 years of age and is not, at that time, contractually competent to enter into a disability savings plan, a person who is, at that time, described in subparagraph ii or iii of paragraph a;

“registered disability savings plan” means a disability savings plan that satisfies the conditions set out in section 905.0.5, but does not include a disability savings plan in respect of which any of sections 905.0.7, 905.0.8 and 905.0.20 applies;

“specified year” for a disability savings plan of a beneficiary means the particular calendar year in which a physician licensed to practice under the laws of a province, or of the jurisdiction where the beneficiary resides, certifies in writing that the beneficiary’s state of health is such that, in the professional opinion of the physician, the beneficiary is not likely to survive more than five years, and each of the five calendar years following the particular calendar year, but does not include a calendar year prior to the calendar year in which the certification is provided to the issuer of the plan.

**“905.0.4.** For the purposes of this Title, a contribution to a disability savings plan does not include, other than for the purposes of paragraph b of the definition of “disability savings plan” in section 905.0.3, an amount paid into the plan under the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35) or a prescribed payment.

**“905.0.5.** The conditions that must be satisfied for a disability savings plan of a beneficiary to be a registered disability savings plan are as follows:

(a) before the plan is entered into and following a written application to the Minister, the issuer of the plan has received written notification from the Minister that, in the Minister’s opinion, a plan whose terms are identical to the plan would, if entered into by a person eligible to enter into a disability savings plan, comply with the conditions set out in section 905.0.6;

(b) at or before the time the plan is entered into, the issuer of the plan has been provided with the Social Insurance Number of the beneficiary under the plan and the Social Insurance Number or business number, as the case may be, of each person with which the issuer has entered into the plan; and

(c) at the time the plan is entered into, the beneficiary under the plan is resident in Canada, except that this condition does not apply if, at that time, the beneficiary is the beneficiary under another registered disability savings plan.

Unless the Minister decides otherwise, an issuer is considered to have satisfied the condition set out in subparagraph *a* of the first paragraph in respect of the plan if the issuer has received, in relation to the plan, a notification from the Minister of National Revenue in accordance with paragraph *a* of subsection 2 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

**“905.0.6.** The conditions to which subparagraph *a* of the first paragraph of section 905.0.5 refers are as follows:

(a) the plan stipulates

i. that it is to be operated exclusively for the benefit of the beneficiary under the plan,

ii. that the designation of the beneficiary under the plan is irrevocable, and

iii. that no right of the beneficiary to receive payments from the plan is capable, either in whole or in part, of surrender or assignment;

(b) the plan allows a person to acquire rights as a successor or assignee of a holder of the plan only if the person is

i. the beneficiary under the plan,

ii. the beneficiary's succession,

iii. a holder of the plan at the time the rights are acquired,

iv. a qualifying person in relation to the beneficiary under the plan at the time the rights are acquired, or

v. an individual who is the father or mother of the beneficiary under the plan and was previously a holder of the plan;

(c) the plan provides that, if a person, other than the father or mother of the beneficiary under the plan, who is a holder of the plan ceases to be a qualifying person in relation to the beneficiary under the plan at any time, the person ceases at that time to be a holder of the plan;

(d) the plan provides for there to be at least one holder of the plan at all times that the plan is in existence and may provide for the beneficiary under the plan or the beneficiary's succession to automatically acquire rights as a successor or assignee of a holder in order to ensure compliance with this requirement;

(e) the plan provides that, if a person becomes a holder of the plan after the plan is entered into, the person is prohibited, except to the extent otherwise permitted by the Minister or the Minister responsible for the administration of the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35), from exercising the person's rights as a holder of the plan until the issuer has been advised of the person having become a holder of the plan and been provided with the person's Social Insurance Number or business number;

(f) the plan prohibits contributions from being made to the plan at any time if

i. the beneficiary is not an individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions for the taxation year that includes that time, or

ii. the beneficiary died before that time;

(g) the plan prohibits a contribution from being made to the plan, other than as a transfer in accordance with section 905.0.16, at any time if

i. the beneficiary reached 59 years of age before the calendar year that includes that time,

ii. the beneficiary is not resident in Canada at that time, or

iii. the total of the contribution and all other contributions made, other than as a transfer in accordance with section 905.0.16, at or before that time to the plan or to any other registered disability savings plan of the beneficiary would exceed \$200,000;

(h) the plan prohibits contributions to the plan by any person who is not a holder of the plan, except with the written consent of a holder of the plan;

(i) the plan provides that no payments may be made from the plan other than

i. disability assistance payments,

ii. a transfer in accordance with section 905.0.16, and

iii. repayments under the Canada Disability Savings Act;

(j) the plan prohibits a disability assistance payment from being made if it would result in the fair market value of the property held by the plan trust immediately after the payment being less than the assistance holdback amount in relation to the plan;

(k) the plan provides for lifetime disability assistance payments to begin to be paid no later than the end of the calendar year in which the beneficiary under the plan reaches 60 years of age or, if the plan is entered into in or after the calendar year, in the calendar year following the calendar year in which the plan is entered into;

(l) the plan provides that the total amount of lifetime disability assistance payments made in a calendar year, other than a specified year for the plan, must not exceed the amount determined by the formula

$$[A/(B + 3 - C)] + D;$$

(m) the plan stipulates whether or not disability assistance payments that are not lifetime disability assistance payments are to be permitted under the plan;

(n) the plan provides that when the total of all amounts paid under the Canada Disability Savings Act before the beginning of a calendar year to any registered disability savings plan of the beneficiary exceeds the total of all contributions made, other than as a transfer in accordance with section 905.0.16, before the beginning of the calendar year to any registered disability savings plan of the beneficiary,

i. if the calendar year is not a specified year for the plan, the total amount of disability assistance payments made to the beneficiary under the plan in the year must not exceed the amount determined by the formula in subparagraph *l* in respect of the plan for the year, except that, in calculating that total amount, a payment made following a transfer in the year from another plan in accordance with section 905.0.16 is to be disregarded if it is made

(1) to satisfy an undertaking described in paragraph *d* of section 905.0.16, or

(2) in lieu of a payment that could otherwise have been made under the other plan in the year had the transfer not occurred,

ii. if the beneficiary under the plan reached 59 years of age before the calendar year, the total amount of disability assistance payments made to the beneficiary in the calendar year must not be less than the amount determined by the formula in subparagraph *l* in respect of the plan for the year or such lesser amount as is supported by the property of the plan trust, and

iii. if the beneficiary under the plan reached 27 years of age, but not 59 years of age, before the calendar year, the beneficiary has the right to direct that, within the constraints imposed by subparagraph *i* and by subparagraph *j*, one or more disability assistance payments be made under the plan to the beneficiary in the year;

(*o*) the plan provides that, at the direction of the holders of the plan, the issuer shall transfer all of the property held by the plan trust or an amount equal to its value to another registered disability savings plan of the beneficiary, together with all information in its possession that may reasonably be considered necessary for compliance, in respect of the other plan, with the requirements of this Part and with any conditions and obligations imposed under the Canada Disability Savings Act; and

(*p*) the plan provides for any amounts remaining in the plan, after taking into consideration any repayments under the Canada Disability Savings Act, to be paid to the beneficiary under the plan or the beneficiary's succession, and for the plan to cease to exist, at or before the end of the calendar year following the calendar year in which the beneficiary under the plan dies or, if it is earlier, the first calendar year throughout which the beneficiary has no severe and prolonged impairment in mental or physical functions the effects of which are described in subparagraph *a* of the first paragraph of section 752.0.14.

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

(*a*) *A* is the fair market value of the property held by the plan trust at the beginning of the calendar year, other than annuity contracts that, at the beginning of the calendar year, are not described in paragraph *b* of the definition of "qualified investment" in subsection 1 of section 205 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(*b*) *B* is the greater of 80 and the age in whole years of the beneficiary at the beginning of the calendar year;

(*c*) *C* is the age in whole years of the beneficiary at the beginning of the calendar year; and

(*d*) *D* is the aggregate of all amounts each of which is

i. a periodic payment under an annuity contract held by the plan trust at the beginning of the calendar year, other than an annuity contract described at the beginning of the calendar year in paragraph *b* of the definition of "qualified investment" in subsection 1 of section 205 of the Income Tax Act, that is paid to the plan trust in the calendar year, or

ii. if the periodic payment under an annuity contract described in subparagraph *i* is not made to the plan trust because the plan trust disposed of the right to that payment in the calendar year, an amount that is a reasonable

estimate of that payment on the assumption that the annuity contract had been held throughout the calendar year by the plan trust and no rights under the contract were disposed of in the calendar year.

**“905.0.7.** A disability savings plan is deemed never to have been a registered disability savings plan if

(a) the issuer of the plan has not, on or before the day that is 60 days after the particular day on which the plan was entered into, provided notification of the plan’s existence in the prescribed form containing prescribed information to the Minister; or

(b) the beneficiary was, on the particular day, the beneficiary under another registered disability savings plan and that other plan has not ceased to exist on or before the day that is 120 days after the particular day or any later day that the Minister considers reasonable in the circumstances.

Unless the Minister decides otherwise, an issuer of a disability savings plan is considered to have notified the Minister in the manner and within the time specified in subparagraph *a* of the first paragraph, in relation to the plan, if the issuer has notified, in relation to the plan, the Minister responsible for the administration of the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35) in accordance with paragraph *a* of subsection 3 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

**“905.0.8.** For the purposes of this Title, a disability savings plan that is deemed never to have been a registered disability savings plan because of paragraph *a* or *b* of subsection 3 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is deemed never to have been a registered disability savings plan.

## “CHAPTER II

### “TAX

**“905.0.9.** No tax is payable under this Part by a trust on its taxable income for a taxation year if, throughout the period of the year in which the trust is in existence, the trust is governed by a registered disability savings plan.

**“905.0.10.** Despite section 905.0.9, a trust governed by a registered disability savings plan shall pay tax under this Part on its taxable income for a taxation year if the trust

(a) has borrowed money in the year; or

(b) has borrowed money in a preceding taxation year and has not repaid it before the beginning of the year.

**“905.0.11.** If section 905.0.10 does not apply, a trust governed by a registered disability savings plan that carries on a business in a taxation year shall, despite section 905.0.9, pay tax under this Part on the amount that its taxable income for the year would be if it had no incomes or losses from sources other than that business.

**“905.0.12.** If section 905.0.10 does not apply and a trust governed by a registered disability savings plan holds, in a taxation year, a property that is not a qualified investment (within the meaning assigned to that expression for the purposes of paragraph *b* of subsection 5 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)) for the trust, the trust shall, despite section 905.0.9, pay tax under this Part on the amount that its taxable income for the year would be if it had no incomes or losses from sources other than the property and no capital gains or capital losses other than from the disposition of the property.

**“905.0.13.** For the purposes of sections 905.0.11 and 905.0.12, the following rules apply:

(a) a trust’s income includes the dividends described in sections 501 to 503; and

(b) the first paragraph of section 231 must be construed as if the taxable capital gain or allowable capital loss were the total capital gain or the total capital loss, as the case may be, from the disposition of property.

### “CHAPTER III

#### “AMOUNT TO BE INCLUDED

**“905.0.14.** If a disability assistance payment is made under a registered disability savings plan of a beneficiary, the amount by which the amount of the payment exceeds the non-taxable portion of the payment must be included,

(a) if the beneficiary is alive at the time the payment is made, in computing the beneficiary’s taxable income for the taxation year in which the payment is made; and

(b) if the beneficiary is deceased at the time the payment is made, in computing the taxable income of the beneficiary’s succession for the succession’s taxation year in which the payment is made.

**“905.0.15.** The non-taxable portion of a disability assistance payment made at a particular time under a registered disability savings plan of a beneficiary is the lesser of the amount of the disability assistance payment and the amount determined by the formula

$$A \times B/C.$$

In the formula in the first paragraph,

(a) A is the amount of the disability assistance payment;

(b) B is the amount by which the aggregate of all amounts each of which is the amount of a contribution made before the particular time to any registered disability savings plan of the beneficiary, other than as a transfer in accordance with section 905.0.16, exceeds the aggregate of all amounts each of which is the non-taxable portion of a disability assistance payment made before the particular time under any registered disability savings plan of the beneficiary; and

(c) C is the amount by which the fair market value of the property held by the plan trust immediately before the disability assistance payment exceeds the assistance holdback amount in relation to the plan.

**“905.0.16.** An amount is transferred from a registered disability savings plan (in this section referred to as the “prior plan”) of a beneficiary in accordance with this section if

(a) the amount is transferred directly to another registered disability savings plan (in this section referred to as the “new plan”) of the beneficiary;

(b) the prior plan ceases to exist immediately after the transfer;

(c) the issuer of the prior plan provides the issuer of the new plan with all the information in its possession concerning the prior plan as may reasonably be considered necessary for compliance, in respect of the new plan, with the requirements of this Part and the issuer of the new plan confirms that it has in its possession all the information provided by the issuer of the prior plan that is necessary for the purposes of paragraph *c* of subsection 8 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and

(d) if the beneficiary reached 59 years of age before the calendar year in which the transfer occurs, the issuer of the new plan undertakes to make—in addition to any other disability assistance payments that would otherwise have been made under the new plan in the year—one or more disability assistance payments under the plan in the year, the total of which is equal to the amount by which the total amount of disability assistance payments that would have been required to be made under the prior plan in the year if the transfer had not occurred exceeds the total amount of disability assistance payments made under the prior plan in the year.

**“905.0.17.** An amount transferred in accordance with section 905.0.16 is not, solely because of that transfer, to be included in computing the income of a taxpayer.



**“CHAPTER IV****“NON-COMPLIANT PLAN**

**“905.0.18.** A registered disability savings plan is non-compliant, at any time, if at that time

(a) it fails to comply with a condition set out in section 905.0.6;

(b) there is a failure to administer the plan in accordance with its terms, other than those terms which the plan is required by subparagraph *i* of subparagraph *a* of the first paragraph of section 905.0.6 to stipulate; and

(c) a person fails to comply with conditions or obligations imposed, with respect to the plan, under the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35), and the Minister responsible for that Act is of the opinion that it is appropriate that the plan be considered to be non-compliant because of the failure in accordance with paragraph *c* of subsection 11 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

**“905.0.19.** If, but for this section, a registered disability savings plan would be non-compliant at a particular time because of a failure described in paragraph *a* or *b* of section 905.0.18,

(a) the Minister may waive the application of either paragraph with respect to the failure, if it is just and equitable to do so;

(b) the Minister may deem the failure to have occurred at a later time;

(c) if the failure consists of the making of a contribution that is prohibited under any of subparagraphs *f* to *h* of the first paragraph of section 905.0.6, an amount equal to the amount of the contribution has been withdrawn from the plan within such period as is specified by the Minister and the Minister has approved the application of this paragraph with respect to the failure, the following rules apply:

i. the contribution is deemed never to have been made, and

ii. the withdrawal is deemed not to be a disability assistance payment and not to be in contravention of the condition set out in subparagraph *i* of the first paragraph of section 905.0.6; or

(d) if the failure consists of the plan not being terminated within the period specified in subparagraph *p* of the first paragraph of section 905.0.6 and was due either to the issuer not being aware of the circumstances under which the plan ceases to exist or to some uncertainty as to the existence of those circumstances, the Minister may specify a later date on or before which it is reasonable to consider that the plan ceases to exist in an orderly manner

and, for the purposes of paragraphs *a* and *b* of section 905.0.18, subparagraph *p* of the first paragraph of section 905.0.6 and the plan terms are to be read as though they required the plan to cease to exist at the date so specified.

**“905.0.20.** If, at a particular time, a registered disability savings plan is non-compliant under section 905.0.18, the following rules apply:

(*a*) the plan ceases, at that particular time, to be a registered disability savings plan, other than for the purpose of applying, at that particular time, section 905.0.18 and this section;

(*b*) a disability assistance payment is deemed to have been made under the plan at the time (in this section referred to as the “relevant time”) immediately before the particular time to the beneficiary under the plan or, if the beneficiary is deceased at the relevant time, to the beneficiary’s succession, the amount of which payment is equal to the amount by which the fair market value of the property held by the plan trust at the relevant time exceeds the assistance holdback amount in relation to the plan; and

(*c*) if the plan is non-compliant because of a payment that is not in accordance with subparagraph *j* of the first paragraph of section 905.0.6, a disability assistance payment the amount of which is equal to the amount determined in the second paragraph and the non-taxable portion of which is deemed to be nil, is deemed to have been made under the plan at the relevant time—in addition to the payment deemed by subparagraph *b* to have been made—to the beneficiary under the plan or, if the beneficiary is deceased at the relevant time, to the beneficiary’s succession.

The amount to which subparagraph *c* of the first paragraph refers is equal to the amount by which the lesser of the assistance holdback amount in relation to the plan and the fair market value of the property held by the plan trust at the relevant time exceeds the fair market value of the property held by the plan trust immediately after the particular time.

**“905.0.21.** The issuer of a registered disability savings plan shall,

(*a*) if a person becomes a holder of the plan after the plan is entered into, so notify the Minister in the prescribed form containing prescribed information on or before the day that is 60 days after the day on which the issuer is notified that the person has become a holder of the plan or, if it is later, the day on which the issuer is provided with the new holder’s Social Insurance Number or business number;

(*b*) not amend the plan before having received a written notice from the Minister that, in the Minister’s opinion, a plan whose terms are identical to the amended plan would, if entered into by a person eligible to enter into a disability savings plan, comply with the conditions set out in the first paragraph of section 905.0.6;

(c) notify the Minister in writing on or before the day that is 30 days after the day on which the issuer becomes aware that the plan is, or is likely to become, non-compliant, as determined without reference to paragraph *c* of section 905.0.18 and section 905.0.19; and

(d) exercise the care, prudence, diligence and skill of a reasonable person to minimize the possibility that a holder of the plan may become liable to pay tax under Part XI of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

Unless the Minister decides otherwise, an issuer is considered to have satisfied the obligation imposed under subparagraph *b* of the first paragraph in respect of the amended plan if the issuer has received, in relation to the plan, a notice from the Minister of National Revenue in accordance with paragraph *a* of subsection 2 of section 146.4 of the Income Tax Act.”

(2) Subsection 1 applies from the taxation year 2008.

**169.** (1) Section 930 of the Act is replaced by the following section:

“**930.** If an amount paid out of or under a registered retirement savings plan is received by the legal representative of a deceased individual who was an annuitant under the plan and that amount would have been a refund of premiums had it been paid under the plan to an individual who is a beneficiary, within the meaning of the second paragraph of section 646, of the annuitant’s succession, that amount is, to the extent that it is so designated jointly by the legal representative and the individual in the prescribed form filed with the Minister, deemed to be received by the individual and not by the legal representative, at the time it is so received by the legal representative, as a benefit that is a refund of premiums.”

(2) Subsection 1 has effect from 1 January 1989. However, when section 930 of the Act applies after 31 December 1988 and before 1 January 1999, it is to be read as follows:

“**930.** If, in a taxation year, the legal representative of a deceased individual who was an annuitant under a registered retirement savings plan receives an amount paid out of or under the plan and a portion of that amount would have been a refund of premiums had it been paid under the plan to an individual who is a beneficiary, within the meaning of the second paragraph of section 646, of the annuitant’s succession, that portion of the amount is, to the extent that it is so designated jointly by the legal representative and the individual in the prescribed form filed with the Minister, deemed to be received by the individual in the year as a benefit that is a refund of premiums.”

(3) In addition, when section 930 of the Act, as enacted by subsection 2, applies before 12 June 1998, it is to be read as if “succession” was replaced by “estate”.

**170.** (1) The Act is amended by inserting the following after section 935.19:

**“TITLE IV.3**

**“TAX-FREE SAVINGS ACCOUNTS**

**“CHAPTER I**

**“DEFINITION**

**“935.20.** In this Title, “holder” has the meaning assigned by subsection 1 of section 146.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

**“CHAPTER II**

**“TAX**

**“935.21.** No tax is payable under this Part by a trust that is governed by a tax-free savings account on its taxable income for a taxation year.

**“935.22.** Despite section 935.21, a trust governed by a tax-free savings account that carries on a business in a taxation year shall pay tax under this Part on the amount that would be its taxable income for the year if it had no incomes or losses from sources other than that business.

**“935.23.** Despite section 935.21, a trust governed by a tax-free savings account that holds, in a taxation year, a property that is a non-qualified investment (for the purposes of Part XI.01 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)) for the trust, shall pay tax under this Part on the amount that would be its taxable income for the year if it had no incomes or losses from sources other than the property and no capital gains or capital losses other than from the disposition of the property.

**“935.24.** For the purposes of sections 935.22 and 935.23, the following rules apply:

(a) a trust’s income includes a dividend described in sections 501 to 503; and

(b) the trust’s taxable capital gain or allowable capital loss from the disposition of a property is equal to its capital gain or capital loss, as the case may be, from the disposition.

**“935.25.** An amount that is credited or added to a deposit that is a tax-free savings account as interest or other income in respect of the account is deemed not to be received by the holder of the account solely because of that crediting or adding.

**“CHAPTER III****“SPECIAL PROVISIONS**

**“935.26.** If an arrangement that governs a trust ceases, at a particular time, to be a tax-free savings account, the following rules apply:

(a) the trust is deemed to have disposed, immediately before the particular time, of each property held by the trust for proceeds of disposition equal to the property’s fair market value immediately before the particular time and to have acquired, at the particular time, each such property at a cost equal to that fair market value;

(b) the trust’s last taxation year that began before the particular time is deemed to have ended immediately before the particular time; and

(c) a taxation year of the trust is deemed to begin at the particular time.

**“935.27.** If an annuity contract ceases, at a particular time, to be a tax-free savings account, the following rules apply:

(a) the holder of the tax-free savings account is deemed to have disposed of the contract immediately before the particular time for proceeds of disposition equal to its fair market value immediately before the particular time;

(b) the contract is deemed to be a separate annuity contract issued and effected at the particular time otherwise than pursuant to or as a tax-free savings account; and

(c) each person who has a right or interest in the separate annuity contract at the particular time is deemed to acquire the right or interest at the particular time at a cost equal to its fair market value at the particular time.

**“935.28.** If a deposit ceases, at a particular time, to be a tax-free savings account, the following rules apply:

(a) the holder of the tax-free savings account is deemed to have disposed of the deposit immediately before the particular time for proceeds of disposition equal to its fair market value immediately before the particular time; and

(b) each person who has a right or interest in the deposit at the particular time is deemed to acquire the right or interest at the particular time at a cost equal to its fair market value at the particular time.

**“935.29.** An arrangement that is a qualifying arrangement, as defined in subsection 1 of section 146.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), is deemed not to be a retirement savings plan, an education savings plan, a retirement income fund or a disability savings plan.”

(2) Subsection 1 applies from the taxation year 2009.

**171.** (1) Section 961.24 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“961.24.** For the purposes of sections 898.1.1, 921.2, 926, 933, 935.22, 961.15, 961.19 and 961.20, where, at a particular time, a taxpayer that is a trust governed by a registered education savings plan, a tax-free savings account, a registered retirement savings plan or a registered retirement income fund acquires, holds or disposes of a unit in a qualified trust, the qualified trust may, to the extent that it has made a valid election, in respect of a period, under subsection 1 of section 259 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), elect in the prescribed manner, in respect of that period, to have the following rules apply:”

(2) Subsection 1 applies from the taxation year 2000. However, when the portion of section 961.24 of the Act before paragraph *a* applies to the taxation years 2000 to 2008, it is to be read as if “935.22,” and “a tax-free savings account,” were struck out.

**172.** Section 965.37.1 of the Act is replaced by the following section:

**“965.37.1.** For the purposes of section 965.37, an individual who is a member of a qualified partnership and whose activities consist mainly in carrying on a farming business or whose main activity is carried on within the partnership is deemed, if the individual is a member of the partnership at the end of the fiscal period of the partnership in which it acquired a qualifying security, to have acquired the qualifying security in the year in which that fiscal period ends, at a cost equal to the agreed proportion of the cost of the qualifying security for the partnership, in respect of the individual for that fiscal period of the partnership.”

**173.** Section 965.39.5 of the Act is replaced by the following section:

**“965.39.5.** For the purposes of sections 965.39.2 and 965.39.4, if a partnership acquires, in a fiscal period of the partnership, a qualifying security of a qualified cooperative or qualified federation of cooperatives, an individual who is an eligible member of the partnership at the end of the fiscal period is deemed to have acquired the qualifying security in the year in which the fiscal period ends, at a cost equal to the agreed proportion of the cost of the qualifying security for the partnership, in respect of the individual for that fiscal period of the partnership.”

**174.** (1) Section 965.66 of the Act is amended by adding the following paragraph:

“For the purposes of the first paragraph, no reference is to be made to section 21.20.4 in determining whether an issuing corporation and a particular corporation are associated with each other in the 12-month period referred to

in that paragraph, if the issuing corporation uses a portion of the proceeds of a public share issue in payment of the acquisition of shares or any other negotiable instrument of the particular corporation and if the conditions set out in paragraph *a* or *b* of section 965.79 are met.”

(2) Subsection 1 applies in respect of a public share issue in respect of which the receipt for the final prospectus is granted after 20 June 2008.

**175.** Section 965.88 of the Act is amended by striking out “, *f* and *g*” in paragraph *a*.

**176.** (1) Section 968 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, a life insurance policy does not include a policy that is, or is issued pursuant to, a registered pension plan, a registered retirement savings plan, a deferred profit sharing plan, a registered retirement income fund, a tax-free savings account, an income-averaging annuity contract, an income-averaging annuity contract respecting income from artistic activities, an annuity contract the cost of which is deductible by the holder under paragraph *f* of section 339 in computing the holder’s income, an annuity contract that is a qualifying trust annuity in relation to a taxpayer the cost of which is deductible under that paragraph *f* in computing the taxpayer’s income or an annuity contract that the holder acquired in circumstances to which subsection 21 of section 146 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applied.”

(2) Subsection 1 has effect from 1 September 1992. However, when the second paragraph of section 968 of the Act applies to a taxation year that ends before 1 January 2009, it is to be read as if “a tax-free savings account,” was struck out and as if “, *d*’un tel compte” in the French text was struck out.

(3) In addition, when section 968 of the Act applies after 31 December 1988 and before 1 September 1992, it is to be read as if “, or an annuity contract where the cost of the annuity contract is deductible by the holder under paragraph *f* of section 339 in computing his income or where the holder acquired the annuity contract” in the second paragraph was replaced by “, an annuity contract the cost of which is deductible by the holder under paragraph *f* of section 339 in computing the holder’s income, or an annuity contract that is a qualifying trust annuity in relation to a taxpayer the cost of which is deductible under that paragraph *f* in computing the taxpayer’s income or that the holder acquired”.

**177.** (1) Section 985.1 of the Act, amended by section 402 of chapter 5 of the statutes of 2009, is again amended by replacing “that it is required to transmit to the Minister for the year in accordance with section 985.22” in paragraph *a.2* by “that it is required to file with the Minister for the year in accordance with the first paragraph of section 985.22”.

(2) Subsection 1 has effect from 19 March 2007.

**178.** (1) Section 985.1.0.2 of the Act is amended by replacing “under section 985.22” in the first paragraph by “under the first paragraph of section 985.22”.

(2) Subsection 1 has effect from 19 March 2007.

**179.** (1) Section 985.8 of the Act, amended by section 410 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “in paragraph *c* or *d*” in the portion before paragraph *a* by “in paragraph *d*”;

(2) by adding the following paragraph:

“For the purposes of the first paragraph, if, for a taxation year of a private foundation that begins after 18 March 2007, subsection 8 of section 149.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies to the foundation in respect of a class of shares of the capital stock of a corporation, the portion of that paragraph before subparagraph *a* is to be read as if “in paragraph *d*” was replaced by “in paragraph *c* or *d*.”

(2) Subsection 1 has effect from 19 March 2007.

**180.** (1) Section 985.22 of the Act, amended by section 412 of chapter 5 of the statutes of 2009, is again amended by adding the following paragraph:

“In addition, every private foundation that is a charity carrying on its activities in Québec shall enclose a copy of any document that it is required to file with the Minister of National Revenue for the year under subsection 14 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), because of the application of section 149.2 of that Act, with the information return it is required to file with the Minister for a taxation year under the first paragraph.”

(2) Subsection 1 has effect from 19 March 2007.

**181.** (1) Section 998 of the Act, amended by section 418 of chapter 5 of the statutes of 2009, is again amended

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

“(g.1) a trust established under a registered disability savings plan, to the extent provided in Title III.1 of Book VII;”;

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

“(h.1) a trust established under a tax-free savings account, to the extent provided in Title IV.3 of Book VII;”.



(2) Paragraph 1 of subsection 1 applies from the taxation year 2008.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2009.

**182.** (1) Section 1000 of the Act is amended, in subsection 1,

(1) by replacing “other than a corporation that was a registered charity throughout the year” in the portion before paragraph *a* by “other than a corporation described in section 1003.1”;

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

“(d) in which the individual has a taxable capital gain (otherwise than from an excluded disposition within the meaning of section 1003.2) or disposes of a taxable Québec property (otherwise than in such an excluded disposition), where the individual is not resident in Canada throughout the year; or”.

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008. In addition, when paragraph *d* of subsection 1 of section 1000 of the Act applies from the taxation year 1999, it is to be read as if “Canadian” was replaced by “Québec”.

**183.** (1) The Act is amended by inserting the following sections after section 1003:

“**1003.1.** The corporation to which subsection 1 of section 1000 refers for a taxation year is

(a) a corporation that is a registered charity throughout the year; or

(b) a corporation referred to in the first paragraph of section 27 each taxable Québec property of which that is disposed of in the year is disposed of in an excluded disposition, within the meaning of section 1003.2.

“**1003.2.** For the purposes of paragraph *d* of subsection 1 of section 1000 and paragraph *b* of section 1003.1, a disposition of a property by a taxpayer at any time in a taxation year is an excluded disposition if

(a) the taxpayer is not resident in Canada at that time;

(b) no tax is payable under this Part by the taxpayer for the taxation year;

(c) the taxpayer is, at that time, not liable to pay an amount under this Act in respect of a previous taxation year (other than an amount for which the Minister has accepted, and holds, adequate security under Chapter IV.1 of Title III of this Part or under Title III of Part II); and

(d) each taxable Québec property disposed of by the taxpayer in the taxation year is

i. excluded property within the meaning of section 1102.4, or

ii. a property in respect of the disposition of which the Minister has issued to the taxpayer a certificate under any of sections 1098, 1100 and 1102.1.”

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**184.** (1) Section 1007.1 of the Act is amended by replacing “1086R23.1” in subparagraph *a* of the second paragraph by “1086R78”.

(2) Subsection 1 has effect from 4 March 2009.

**185.** (1) Section 1012 of the Act is replaced by the following section:

“**1012.** If a taxpayer has filed for a taxation year the fiscal return required by section 1000 and an amount referred to in section 1012.1 is subsequently included in computing the taxpayer’s taxable income, claimed as a deduction or deemed to be paid under Chapter III.1 of Title III, as the case may be, by or on behalf of the taxpayer for the taxation year by filing with the Minister, on or before the taxpayer’s filing-due date for the subsequent taxation year in respect of that amount, a prescribed form amending the fiscal return for the taxation year, the Minister shall, for any relevant taxation year, other than a taxation year preceding the taxation year, determine the amount deemed to be paid by the taxpayer or redetermine the taxpayer’s tax or the amount deemed to be paid by the taxpayer, as the case may be, to take into account the amount so included in computing the taxpayer’s taxable income, claimed as a deduction or deemed to be paid.”

(2) Subsection 1 has effect from 14 March 2008.

**186.** (1) Section 1012.1 of the Act, amended by section 420 of chapter 5 of the statutes of 2009, is again amended

(1) by striking out “on account of the taxpayer’s tax payable” in the portion before paragraph *a*;

(2) by inserting the following paragraph after paragraph *d.1.1*:

“(d.1.1.1) section 1029.8.36.166.47 in respect of the unused portion of the tax credit, within the meaning of the first paragraph of section 1029.8.36.166.40, for a subsequent taxation year;”.

(2) Subsection 1 has effect from 14 March 2008.

**187.** (1) Section 1015 of the Act is amended

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

“**1015.** Every person who at any time during a taxation year pays, allocates, grants or awards an amount described in the second paragraph shall, even if the amount paid, allocated, granted or awarded results from a judgment, subject to sections 1015.0.1 and 1015.0.2, deduct or withhold from that amount the amount described in the third paragraph and pay to the Minister, on the dates, for the periods and according to terms and conditions prescribed, an amount equal to the deducted or withheld amount on account of the tax payable by the payee for the same taxation year.”;

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

“(t) a payment from a registered disability savings plan.”;

(3) by replacing “1015R3.1 to 1015R3.5 and 1015R5 to 1015R13.3” in subparagraph *b* of the third paragraph by “1015R11, 1015R12 and 1015R15 to 1015R29”;

(4) by replacing “\$1,200” in the fourth paragraph by “\$2,400”;

(5) by replacing “\$1,000” in the sixth paragraph by “\$3,000”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2006.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2008.

(4) Paragraph 3 of subsection 1 has effect from 4 March 2009.

(5) Paragraphs 4 and 5 of subsection 1 apply in respect of an amount to be deducted or withheld after 31 December 2007.

**188.** Section 1015.3 of the Act, amended by section 421 of chapter 5 of the statutes of 2009, is again amended by replacing “next before” in subparagraph *b* of the fourth paragraph by “immediately before”.

**189.** (1) Section 1026.0.2 of the Act, amended by section 424 of chapter 5 of the statutes of 2009, is again amended by replacing “\$1,200” in the definition of “instalment threshold” in the first paragraph by “\$1,800”.

(2) Subsection 1 applies from the taxation year 2008. It also applies to the taxation years 2006 and 2007 when section 1026.1 of the Act is applied to the taxation years 2008 and 2009.

**190.** (1) Section 1027 of the Act is amended

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

“**1027.** Subject to section 1027.0.3, every corporation subject to taxation under this Part shall pay to the Minister

(*a*) the amounts determined in accordance with any of the following methods:”;

(2) by replacing “; or” at the end of subparagraph i of subparagraph *a* of the first paragraph by a comma;

(3) by replacing “; and” at the end of subparagraph ii of subparagraph *a* of the first paragraph by “, or”;

(4) by adding the following subparagraph after subparagraph ii of subparagraph *a* of the first paragraph:

“iii. if the corporation is a qualified Canadian-controlled private corporation,

(1) on or before the last day of each three-month period in the current taxation year (or if the period that remains in a year after the end of the last such three-month period is less than three months, on or before the last day of that remaining period), an amount equal to 1/4 of its tax for the year estimated in accordance with section 1004 or of its first basic provisional account referred to in subparagraph i, or

(2) on or before the last day of the first period in the current taxation year not exceeding three months, a particular amount equal to 1/4 of its second basic provisional account referred to in subparagraph ii and, on or before the last day of each of the following three-month periods in the current year (or if the period that remains in a year after the end of the last such three-month period is less than three months, on or before the last day of that remaining period), an amount equal to 1/3 of the amount by which its first basic provisional account referred to in subparagraph i exceeds the particular amount; and”;

(5) by replacing “\$1,000” in the second paragraph by “\$3,000”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2007.

**191.** (1) The Act is amended by inserting the following sections after section 1027:

**“1027.0.1.** For the purposes of subparagraph iii of subparagraph *a* of the first paragraph of section 1027, a qualified Canadian-controlled private corporation, at a particular time in a taxation year, means a Canadian-controlled private corporation in respect of which the following conditions are met:

(a) the corporation’s taxable income for the year or the preceding taxation year does not exceed \$400,000;

(b) the corporation’s paid-up capital for the year or the preceding taxation year does not exceed \$10,000,000;

(c) the excess amount referred to in paragraph *a* of section 771.2.1.2, computed in respect of the corporation for the year or the preceding taxation year, is an amount greater than zero; and

(d) throughout the 12-month period that ends on the day on which the corporation is required to make its last payment under this division, the corporation has

i. paid, on or before the date of expiry of the time allowed to do so, all amounts that were required to be paid under section 1015, Chapter IV of the Act respecting parental insurance (chapter A-29.011), Division I of Chapter IV of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5), Title III of the Act respecting the Québec Pension Plan (chapter R-9) or Title I of the Act respecting the Québec sales tax (chapter T-0.1), and

ii. filed, on or before the date of expiry of the time allowed to do so, all returns that were required to be filed by the corporation under this Act or Title I of the Act respecting the Québec sales tax.

For the purposes of subparagraph *b* of the first paragraph, the paid-up capital of a corporation is

(a) in respect of a corporation referred to in paragraph *a* or *c* of section 1132 or a mining corporation that has not reached the production stage, its paid-up capital that would be determined in accordance with Book III of Part IV if no reference were made to section 1138.2.6;

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

(c) in respect of a cooperative, its paid-up capital that would be determined in accordance with Title I of Book III of Part IV if no reference were made to section 1138.2.6.

“**1027.0.2.** For the purposes of subparagraphs *a* and *b* of the first paragraph of section 1027.0.1,

(*a*) the taxable income of a corporation that, in a particular taxation year, is associated with one or more other corporations is equal to the aggregate of the corporation’s taxable income for the particular year and of each of the other corporations’ taxable income for their respective taxation years that end in the particular year; and

(*b*) the paid-up capital of a corporation that, in a particular taxation year, is associated with one or more other corporations is equal to the aggregate of the corporation’s paid-up capital determined in accordance with the second paragraph of section 1027.0.1 for the particular year and of the paid-up capital so determined of each of the other corporations for their respective taxation years that end in the particular year.

“**1027.0.3.** If payments that a corporation is required to make under section 1027 in a taxation year were made in accordance with subparagraph iii of subparagraph *a* of the first paragraph of that section and the corporation ceases, at a particular time in the taxation year, to be able to avail itself of that subparagraph iii, the following rules apply for the purpose of determining the amounts that the corporation is required to pay to the Minister under section 1027 for the part of the year that follows the particular time:

(*a*) subparagraph iii of subparagraph *a* of the first paragraph of section 1027 is to be read as follows:

“iii. on or before the last day of each month in the current taxation year, the amount determined by the formula

$(A - B)/C$ ”; and

(*b*) section 1027 is to be read as if the following paragraph was added after the second paragraph:

“In the formula in subparagraph iii of subparagraph *a* of the first paragraph,

(*a*) *A* is the corporation’s tax for the taxation year estimated in accordance with section 1004 or the corporation’s first basic provisional account referred to in subparagraph i of subparagraph *a* of the first paragraph;

(*b*) *B* is the aggregate of the payments that the corporation was required to make in the taxation year and before the particular time referred to in section 1027.0.3, in accordance with subparagraph iii of subparagraph *a* of the first paragraph; and

(*c*) *C* is the number of months in the taxation year that end after the particular time referred to in section 1027.0.3.””

(2) Subsection 1 applies to a taxation year that begins after 31 December 2007. However, when the second paragraph of section 1027.0.1 of the Act applies to a taxation year that ends before 14 March 2008, it is to be read as if

(1) “its paid-up capital that would be determined in accordance with Book III of Part IV if no reference were made to section 1138.2.6” in subparagraph *a* was replaced by “its paid-up capital determined in accordance with Book III of Part IV”; and

(2) “its paid-up capital that would be determined in accordance with Title I of Book III of Part IV if no reference were made to section 1138.2.6” in subparagraph *c* was replaced by “its paid-up capital determined in accordance with Title I of Book III of Part IV”.

**192.** (1) The Act is amended by inserting the following after section 1027.3:

#### **“DIVISION III.1**

#### **“INSTALMENT DEFERRAL FOR MANUFACTURING CORPORATIONS**

**“1027.4.** In this division,

“eligible instalment day” of a qualified corporation means a day in the calendar year 2008 on or before which an instalment to be paid by the corporation in respect of the corporation’s tax payable under this Part for the taxation year that includes that day would become payable if this Act were read without reference to this division;

“manufacturing corporation” for a taxation year means a corporation whose gross income from its manufacturing or processing activities for the preceding taxation year exceeds 50% of the corporation’s total gross income for that preceding taxation year;

“manufacturing corporation operating mainly in the forest industry” for a particular taxation year means a manufacturing corporation for the particular year that meets the following conditions:

(a) the activities of the corporation for the particular year consist in any combination of

i. sawmill and wood preservation activities included in the group described under code 3211 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada,

ii. activities involved in the manufacturing of veneer, plywood and engineered wood products included in the group described under code 3212 of the North American Industry Classification System (NAICS) Canada, as

amended from time to time and published by Statistics Canada, excluding activities involved in the manufacturing of structural wood products included in the class described under code 321215 of that publication, and

iii. activities relating to pulp, paper and paperboard mills included in the group described under code 3221 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada; and

(b) the corporation's gross income from activities described in paragraph *a* for the taxation year that precedes the particular year exceeds 50% of the corporation's total gross income for that preceding taxation year;

“manufacturing or processing activities” of a corporation means activities included in the groups described under codes 31 to 33 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada;

“qualified corporation” for a particular taxation year means

(a) a manufacturing corporation operating mainly in the forest industry for the particular year; and

(b) a manufacturing corporation for the particular year, other than a corporation described in paragraph *a*, the paid-up capital of which determined for the taxation year preceding the particular year does not exceed,

i. if the corporation is not associated with any other corporation in the particular year, \$75,000,000, and

ii. if the corporation is associated with one or more other corporations in the particular year, the amount by which \$75,000,000 exceeds the aggregate of the paid-up capital of each of those other corporations determined either for that other corporation's last taxation year that ended in the 12 months that precede the beginning of the particular year, or, if the other corporation is in its first fiscal period, on the basis of its financial statements prepared at the beginning of that fiscal period in accordance with generally accepted accounting principles.

For the purposes of paragraph *b* of the definition of “qualified corporation” in the first paragraph, the paid-up capital of a corporation is its paid-up capital determined in accordance with Title I of Book III of Part IV.

**“1027.5.** An amount that, because of subparagraph *a* of the first paragraph of section 1027, would otherwise become payable on or before an eligible instalment day by a qualified corporation becomes payable on or before not that day but the qualified corporation's balance-due day for the taxation year that includes the eligible instalment day.”

(2) Subsection 1 has effect from 1 January 2008.



**193.** (1) Section 1029.6.0.0.1 of the Act, amended by section 426 of chapter 5 of the statutes of 2009, is again amended, in the second paragraph,

(1) by striking out “II.4.3,” in the portion before subparagraph *a*;

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

“(b) in the case of each of Divisions II.4.2, II.5.1.1, II.5.1.2, II.5.2, II.6.0.0.1, II.6.0.1.7 to II.6.0.1.9, II.6.0.4 to II.6.0.7, II.6.4.2, II.6.5.1, II.6.5.3, II.6.5.4 and II.6.6.1 to II.6.14.1, government assistance or non-government assistance does not include an amount that is deemed to have been paid to the Minister for a taxation year under that division;”;

(3) by inserting the following subparagraph after subparagraph *b*:

“(b.1) in the case of Division II.5.1, government assistance does not include an amount deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act that may reasonably be attributed to an amount that is an apprenticeship expenditure, within the meaning of subsection 9 of section 127 of that Act;”;

(4) by inserting the following subparagraph after subparagraph viii of subparagraph *c*:

“viii.1. the amount of financial assistance paid by the Société du 400<sup>e</sup> anniversaire de Québec;”;

(5) by replacing subparagraph *d* by the following subparagraph:

“(d) in the case of Division II.6.0.0.2, government assistance or non-government assistance does not include

i. an amount that a corporation is deemed to have paid to the Minister for a taxation year under that division,

ii. an amount that a corporation is deemed to have paid for a taxation year under subsection 3 of section 125.4 or 125.5 of the Income Tax Act, or

iii. the amount of financial assistance paid by the Société du 400<sup>e</sup> anniversaire de Québec;”;

(6) by replacing subparagraph *e* by the following subparagraph:

“(e) in the case of Division II.6.0.0.3, government assistance or non-government assistance does not include

i. an amount deemed to have been paid to the Minister for a taxation year under that division,

ii. the amount of financial assistance granted by the Conseil des arts et des lettres du Québec, the Société de développement des entreprises culturelles, the Canada Council for the Arts, the Department of Canadian Heritage, Telefilm Canada out of the Canada Music Fund, Fondation Musicaction or the Foundation Assisting Canadian Talent on Recordings, or

iii. the amount of financial assistance paid by the Société du 400<sup>e</sup> anniversaire de Québec;”;

(7) by replacing “Foundation to Assist Canadian Talent on Records” in subparagraph ii of subparagraph *e.1* by “Foundation Assisting Canadian Talent on Recordings”;

(8) by adding the following subparagraph after subparagraph iii of subparagraph *e.1*:

“iv. the amount of financial assistance paid by the Société du 400<sup>e</sup> anniversaire de Québec;”;

(9) by adding the following subparagraph after subparagraph iv of subparagraph *f*:

“v. the amount of financial assistance paid by the Société du 400<sup>e</sup> anniversaire de Québec;”;

(10) by replacing “and II.6.0.1.2 to II.6.0.1.6” in the portion of subparagraph *h* before subparagraph *i* by “, II.6.0.1.2 to II.6.0.1.6 and II.6.14.2”.

(2) When paragraph 1 of subsection 1 inserts, in the portion of the second paragraph of section 1029.6.0.0.1 of the Act before subparagraph *a*, a reference

(1) to Division II.5.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, it applies to a taxation year that ends after 1 May 2006;

(2) to Division II.5.1.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 24 November 2007; and

(3) to Division II.5.1.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, it has effect from 14 March 2008.

(3) Paragraph 2 of subsection 1 has effect from 24 November 2007. However, when subparagraph *b* of the second paragraph of section 1029.6.0.0.1 of the Act applies

(1) after 23 November 2007 and before 14 March 2008, it is to be read as if “II.5.1.1, II.5.1.2” and “to II.6.0.1.9” were replaced by “II.4.3, II.5.1.1” and “, II.6.0.1.8”, respectively; and

(2) after 13 March 2008 and before 4 June 2009, it is to be read as if “II.4.3,” was inserted after “II.4.2,”.

(4) Paragraph 3 of subsection 1 applies to a taxation year that ends after 1 May 2006.

(5) Paragraphs 4 and 5 of subsection 1 have effect from 14 December 1999.

(6) Paragraphs 6 and 8 of subsection 1 have effect from 1 May 2003. However, when subparagraph ii of subparagraph *e* of the second paragraph of section 1029.6.0.0.1 of the Act applies before 22 February 2006, it is to be read as if “Foundation Assisting Canadian Talent on Recordings” was replaced by “Foundation to Assist Canadian Talent on Records”.

(7) In addition, when subparagraph *e* of the second paragraph of section 1029.6.0.0.1 of the Act applies after 13 December 1999 and before 1 May 2003, it is to be read as follows:

“(e) in the case of Division II.6.0.0.3 or II.6.0.0.4, government assistance or non-government assistance does not include an amount deemed to have been paid to the Minister for a taxation year under that division, or the amount of financial assistance granted by the Conseil des arts et des lettres du Québec, the Société de développement des entreprises culturelles, the Canada Council for the Arts, Fondation Musicaction, the Foundation to Assist Canadian Talent on Records or the Société du 400<sup>e</sup> anniversaire de Québec;”.

(8) Paragraph 7 of subsection 1 has effect from 22 February 2006.

(9) Paragraph 9 of subsection 1 has effect from 15 March 2000.

(10) Paragraph 10 of subsection 1 has effect from 14 March 2008.

**194.** Section 1029.6.0.1.3 of the Act is repealed.

**195.** Section 1029.6.0.1.7 of the Act is amended

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

“(a) the shares of the capital stock of the particular corporation that are owned or deemed under this section to be owned by a partnership, at any time, are deemed to be owned, at that time, by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time;”;

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

“(c) if, at any time, a partnership has any direct or indirect influence that, if exercised, would result in control in fact of the particular corporation, the partnership is deemed to be a corporation whose taxation year corresponds to the partnership’s fiscal period and all the voting shares in the capital stock of

which are owned at that time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership's fiscal period that includes that time; and”.

**196.** Section 1029.6.0.1.8 of the Act is amended by striking out “II.4.3.”.

**197.** Section 1029.6.0.1.8.1 of the Act is amended by replacing subparagraph 2 of subparagraph *i* of paragraph *b* of section 1029.8.33.2.1 of the Act in subparagraph 3 of subparagraph *i* of subparagraph *b* of the first paragraph, enacted by subparagraph *b* of the third paragraph, by the following subparagraph:

“(2) the agreed proportion in respect of the taxpayer for the partnership's fiscal period ended in the particular year, and”, or”; and”.

**198.** (1) The Act is amended by inserting the following sections after section 1029.6.0.1.8.2:

**“1029.6.0.1.8.3.** For the purpose of determining the amount that is deemed to have been paid to the Minister for a taxation year under this chapter, in respect of a cost, an expenditure or expenses incurred by a given partnership in a given fiscal period of the given partnership, the following rules apply in respect of a taxpayer if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and the given partnership:

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer's taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph *i* at the end of the interposed partnership's interposed fiscal period;

(b) for the purpose of determining the taxpayer's share in an amount in respect of the given partnership for the given fiscal period, the agreed proportion in respect of the taxpayer for that fiscal period of the given partnership is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership's given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period;

(c) if, at a particular time that occurs on or before the day that is six months after the end of the given fiscal period, an interposed partnership has received, is entitled to receive or may reasonably expect to receive, an amount of government assistance or non-government assistance, in respect of the cost, the expenditure or the expenses incurred by the given partnership, or is deemed under this paragraph to have received, to be entitled to receive or to reasonably expect to receive such an amount, each of the members of that interposed partnership at the end of the interposed partnership's interposed fiscal period, is deemed at the particular time to have received, to be entitled to receive or to reasonably expect to receive, as the case may be, the member's share in that amount, which share is equal to the agreed proportion of that amount in respect of that member for that fiscal period of the interposed partnership.

**“1029.6.0.1.3.4.** For the purpose of determining the amount that is deemed to have been paid to the Minister for a taxation year under this chapter, in respect of the repayment, in a fiscal period of a given partnership (in this section referred to as the “fiscal period of repayment”), of an amount of government assistance or non-government assistance that relates to a cost, an expenditure or expenses that have been incurred by the given partnership in a preceding fiscal period of the given partnership, the following rules apply in respect of a taxpayer if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and the given partnership, for the fiscal period of repayment:

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer's taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership's interposed fiscal period;

(b) the agreed proportion in respect of the taxpayer for the given partnership's fiscal period of repayment is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership's fiscal period of repayment, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period;

(c) if, at a particular time in the fiscal period of repayment, an interposed partnership pays, or is deemed to pay under this paragraph, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that has been received, in respect of the cost, the expenditure or the expenses incurred by the given partnership, each of the members of that interposed partnership at the end of the interposed partnership's interposed fiscal period, is deemed to have paid, at the particular time, pursuant to a legal obligation and as repayment of an amount of assistance, the member's share in that amount, which share is equal to the agreed proportion of that amount in respect of that member for that fiscal period of the interposed partnership; and

(d) if, at a particular time in the fiscal period of repayment, an amount of government assistance or non-government assistance to be received, in respect of the cost, the expenditure or the expenses incurred by the given partnership, is, or is deemed to be under this paragraph, an amount that has not been received by an interposed partnership and that has ceased to be an amount that it could reasonably expect to receive, the share in that amount of assistance of each of the members of that interposed partnership at the end of the interposed partnership's interposed fiscal period—which share is equal to the agreed proportion of that amount of assistance in respect of that member for that fiscal period of the interposed partnership—is deemed to be, at the particular time, an amount that has not been received by that member and that has ceased to be an amount that that member could reasonably expect to receive.

**“1029.6.0.1.8.5.** Sections 1029.6.0.1.8.3 and 1029.6.0.1.8.4 do not apply in respect of a taxpayer, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the taxpayer and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the taxpayer to be deemed to have paid to the Minister for a

taxation year under this chapter, an amount greater than the amount that would have been so deemed to have been paid to the Minister for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of a taxpayer that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the taxpayer had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) However,

(1) when section 1029.6.0.1.8.3 of the Act applies before 4 June 2009, the portion of paragraph *b* before subparagraph i is to be read as follows, except for the purpose of determining an amount that is deemed to have been paid to the Minister of Revenue for a taxation year under section 1029.8.33.11.4 or 1029.8.33.11.14 of the Act:

“(b) for the purpose of determining the taxpayer’s share in an amount in respect of the given partnership for the given fiscal period, the proportion that the taxpayer’s share of the income or loss of the given partnership for the given fiscal period is of the income or loss of that given partnership for that fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by”; and

(2) when section 1029.6.0.1.8.4 of the Act applies before 4 June 2009, the portion of paragraph *b* before subparagraph i is to be read as follows, except for the purpose of determining an amount that is deemed to have been paid to the Minister for a taxation year under any of sections 1029.8.33.11.8, 1029.8.33.11.9, 1029.8.33.11.18 and 1029.8.33.11.19 of the Act:

“(b) the taxpayer’s share of the income or loss of the given partnership for the fiscal period of repayment is deemed to be equal to the proportion of that income or loss—on the assumption that, if the income and loss of the given partnership for the fiscal period of repayment are nil, the given partnership’s income for the given fiscal period is equal to \$1,000,000—that is represented by the proportion obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by”.

(4) In addition, when section 1029.6.0.1.8.3 or 1029.6.0.1.8.4 of the Act applies to a taxation year that ends before 21 December 2002, the definition of “agreed proportion” in section 1.8 of the Act has effect for the purposes of paragraphs *b* and *c* of that section 1029.6.0.1.8.3 or paragraphs *b* to *d* of that section 1029.6.0.1.8.4.

(5) If subsection 1 applies to a taxation year of a taxpayer because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the taxpayer on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part I of the Act and despite sections 1010 to 1011 of the Act, such determinations or redeterminations of an amount deemed to have been paid under Chapter III.1 of Title III of Book IX of that Part I by the taxpayer and such assessments or reassessments of the interest and penalties payable by the taxpayer as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such determinations or assessments, with the necessary modifications.

**199.** (1) Section 1029.6.0.6 of the Act, amended by section 428 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “next before” in subparagraph *b* of the second paragraph by “immediately before”;

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

“(a) the amount of \$50,000 mentioned in section 1029.8.61.5;”;

(3) by inserting the following subparagraph after subparagraph *a* of the fourth paragraph:

“(a.1) the amounts of \$550 and \$450 mentioned in section 1029.8.61.64;”;

(4) by inserting the following subparagraph after subparagraph *b* of the fourth paragraph:

“(b.1) the amount of \$50,000 mentioned in section 1029.8.61.76;”;

(5) by replacing “\$6,275” in subparagraph *c* of the fourth paragraph by “\$6,890”;

(6) by replacing “\$28,705” and “\$79,725” in subparagraph *d* of the fourth paragraph by “\$31,520” and “\$140,450”, respectively;

(7) by replacing “\$28,705” and “\$76,535” in subparagraph *e* of the fourth paragraph by “\$31,520” and “\$138,100”, respectively;

(8) by striking out subparagraph *i* of the fourth paragraph;



(9) by adding the following subparagraph after subparagraph *m* of the fourth paragraph:

“(n) the amount of \$500 mentioned in sections 1029.9.1 and 1029.9.2.”

(2) Paragraphs 2 to 4 and 9 of subsection 1 apply from the taxation year 2009.

(3) Paragraphs 5 to 7 of subsection 1 apply from the taxation year 2010. In addition, when section 1029.6.0.6 of the Act applies to the taxation year 2009, it is to be read without reference to subparagraphs *c*, *d* and *e* of its fourth paragraph.

(4) Paragraph 8 of subsection 1 applies from the taxation year 2008.

**200.** (1) Section 1029.6.0.7 of the Act, amended by section 429 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “subparagraphs *b* to *f*, *i*,” in the first paragraph by “subparagraphs *a*, *b* to *f*,”;

(2) by replacing “*a*” and “and *k*” in the second paragraph by “*a.1*” and “, *k* and *n*”, respectively.

(2) Subsection 1 applies from the taxation year 2009. In addition, when the first paragraph of section 1029.6.0.7 of the Act applies to the taxation year 2008, it is to be read as if “subparagraphs *b* to *f*, *i*,” was replaced by “subparagraphs *b* to *f*,”.

**201.** (1) Section 1029.7.7 of the Act is replaced by the following section:

“**1029.7.7.** For the purposes of section 1029.7.2, the expenditure limit of a particular corporation for a taxation year equals \$3,000,000, unless the particular corporation is associated in the year with one or more other corporations that are not controlled, directly or indirectly, in any manner whatever by one or more persons not resident in Canada, in which case, subject to sections 1029.7.8 to 1029.7.10, its expenditure limit for the year is nil.”

(2) Subsection 1 applies in respect of an expenditure for scientific research and experimental development incurred in a taxation year that ends after 13 March 2008.

**202.** (1) Section 1029.7.8 of the Act is amended by replacing “\$2,000,000” by “\$3,000,000”.

(2) Subsection 1 applies in respect of an expenditure for scientific research and experimental development incurred in a taxation year that ends after 13 March 2008.

**203.** (1) Section 1029.7.9 of the Act is amended by replacing “\$2,000,000” by “\$3,000,000”.

(2) Subsection 1 applies in respect of an expenditure for scientific research and experimental development incurred in a taxation year that ends after 13 March 2008.

**204.** (1) The Act is amended by inserting the following section after section 1029.7.9:

**“1029.7.9.1.** For the purposes of sections 1029.7.7 to 1029.7.9, if the taxation year of the particular corporation referred to in section 1029.7.7 includes 13 March 2008, the amount of \$3,000,000 mentioned in each of those sections is to be replaced by an amount equal to the aggregate of

(a) the amount obtained by multiplying \$2,000,000 by the proportion that the number of days in the taxation year that precede 14 March 2008 is of the number of days in the taxation year; and

(b) the amount obtained by multiplying \$3,000,000 by the proportion that the number of days in the taxation year that follow 13 March 2008 is of the number of days in the taxation year.”

(2) Subsection 1 has effect from 14 March 2008.

**205.** Section 1029.8 of the Act, amended by section 431 of chapter 5 of the statutes of 2009, is again amended by replacing the fifth paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

**206.** Section 1029.8.7 of the Act, amended by section 433 of chapter 5 of the statutes of 2009, is again amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

**207.** Section 1029.8.9.0.4 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

**208.** Section 1029.8.11 of the Act, amended by section 435 of chapter 5 of the statutes of 2009, is again amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the particular partnership’s fiscal period that ends in the taxpayer’s taxation year.”

**209.** (1) Section 1029.8.16.1.1 of the Act is amended

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

““excluded contract” means an eligible research contract within the meaning of paragraph *a.2* of section 1029.8.1 or a university research contract within the meaning of paragraph *b* of that section;”;

(2) by replacing the portion of the definition of “excluded partner” in the first paragraph before paragraph *a* by the following:

““public partner” at a particular time means”;

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

“For the purposes of this division, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for the fiscal period.”

(2) Paragraphs 1 and 2 of subsection 1 have effect from 14 March 2008.

**210.** (1) Section 1029.8.16.1.4 of the Act is amended

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

**“1029.8.16.1.4.** A taxpayer, other than a public partner or a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1, who carries on a business in Canada and has entered into an agreement with a person or partnership under which the parties agree to undertake scientific research and experimental development related to a business of the taxpayer, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, other than an excluded contract, is deemed, subject to the second paragraph, to have paid to the Minister, on the taxpayer’s balance-due day for a taxation year in which the research and development was undertaken, on account of the taxpayer’s tax payable for that year under this Part, if the conditions set out in the third paragraph are satisfied in respect of the parties to the agreement and if the taxpayer encloses the documents described in the fourth paragraph with the fiscal

return the taxpayer is required to file under section 1000 for that year, or would be required to file if tax were payable under this Part by the taxpayer, an amount equal to 35% of the aggregate of”;

(2) by adding the following paragraphs after the second paragraph:

“The conditions to which the first paragraph refers in respect of the parties to the agreement referred to in that paragraph are as follows:

(a) the agreement must include at least two parties who are not public partners;

(b) at least two parties who are not public partners were dealing with each other at arm’s length throughout a year referred to in the first paragraph that ended after 13 March 2008; and

(c) no party who is not a public partner is related to a public partner throughout a year referred to in the first paragraph that ended after 13 March 2008.

“The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information; and

(b) a copy of the valid qualification certificate issued to the taxpayer by the Minister of Economic Development, Innovation and Export Trade for the purposes of this division.”

(2) Paragraph 1 of subsection 1 and paragraph 2 of subsection 1, when it enacts the third paragraph of section 1029.8.16.1.4 of the Act, apply in respect of an expenditure incurred after 13 March 2008 for scientific research and experimental development undertaken after that date as part of an agreement for which a certificate has been issued after that date. In addition, when the first paragraph of section 1029.8.16.1.4 of the Act applies in respect of an expenditure incurred after 23 March 2006 for scientific research and experimental development undertaken after that date and, if applicable, under a contract entered into after that date, it is to be read as follows:

**“1029.8.16.1.4.** A taxpayer, other than a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1, who carries on a business in Canada and has entered into an agreement with a person or partnership under which the parties agree to undertake scientific research and experimental development related to a business of the taxpayer, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, is deemed, subject to the second paragraph, to have paid to the Minister, on the taxpayer’s balance-due day for a taxation year in which the research and development was undertaken, on account of the taxpayer’s tax payable for that year under this Part, if the taxpayer encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000 for that year, or would be required to file

if tax were payable under this Part by the taxpayer, and if no party to the agreement is an excluded partner at any time in the year within the period that begins on the date on which the agreement was entered into and all the parties to the agreement are dealing at arm's length with each other, an amount equal to

(a) in the case of a contract entered into with an eligible public research centre within the meaning of paragraph *a.1* of section 1029.8.1, an eligible research consortium within the meaning of paragraph *a.1.1* of that section or an eligible university entity within the meaning of paragraph *f* of that section, any of the following amounts:

- i. the amount determined under subparagraph iii of subparagraph *b*, or
- ii. the amount determined under section 1029.7 in respect of the portion of a consideration described in subparagraph *c* or *g* of the first paragraph of that section; and

(b) in any other case, 35% of the aggregate of

- i. all or part of a qualified expenditure the taxpayer has made in Québec that can reasonably be attributed to such research and development directly undertaken by the taxpayer in that year,

- ii. all or part of a qualified expenditure the taxpayer has made in Québec under a contract entered into with a person or partnership with which the taxpayer was not dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such research and development directly undertaken by the person or partnership on behalf of the taxpayer in that year, and

- iii. 80% of an amount representing all or part of a qualified expenditure the taxpayer has made in Québec under a contract entered into with a person or partnership with which the taxpayer was dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such research and development directly undertaken by the person or partnership on behalf of the taxpayer in that year.”

(3) Paragraph 2 of subsection 1, when it enacts the fourth paragraph of section 1029.8.16.1.4 of the Act, has effect from 14 March 2008.

**211.** (1) Section 1029.8.16.1.5 of the Act is amended

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

**“1029.8.16.1.5.** If a particular partnership carries on a business in Canada and has entered into an agreement under which the parties agree to undertake scientific research and experimental development related to a

business of the particular partnership, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, other than an excluded contract, each taxpayer who is a member of the particular partnership at the end of a fiscal period of the particular partnership in which the research and development was undertaken and who is not a public partner, a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1 or a specified member of the particular partnership in that fiscal period, is deemed, subject to the second paragraph, to have paid to the Minister, on the taxpayer's balance-due day for the taxpayer's taxation year in which that fiscal period ends, on account of the taxpayer's tax payable for that year under this Part, if the conditions set out in the third paragraph are satisfied in respect of the parties to the agreement and if the taxpayer encloses the documents described in the fourth paragraph with the fiscal return the taxpayer is required to file under section 1000 for that year, or would be required to file if tax were payable under this Part by the taxpayer, 35% of the taxpayer's share of an amount equal to the aggregate of”;

(2) by adding the following paragraphs after the second paragraph:

“The conditions to which the first paragraph refers in respect of the parties to the agreement referred to in that paragraph are as follows:

(a) the agreement must include at least two parties who are not public partners;

(b) at least two parties who are not public partners were dealing with each other at arm's length throughout a fiscal period referred to in the first paragraph that ended after 13 March 2008; and

(c) no party who is not a public partner is related to a public partner throughout a fiscal period referred to in the first paragraph that ended after 13 March 2008.

“The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information; and

(b) a copy of the valid qualification certificate issued by the Minister of Economic Development, Innovation and Export Trade for the purposes of this division.”

(2) Paragraph 1 of subsection 1 and paragraph 2 of subsection 1, when it enacts the third paragraph of section 1029.8.16.1.5 of the Act, apply in respect of an expenditure incurred after 13 March 2008 for scientific research and experimental development undertaken after that date as part of an agreement for which a certificate has been issued after that date. In addition, when the first paragraph of section 1029.8.16.1.5 of the Act applies in respect of an expenditure incurred after 23 March 2006 for scientific research and experimental development undertaken after that date and, if applicable, under a contract entered into after that date, it is to be read as follows:

**“1029.8.16.1.5.** If a particular partnership carries on a business in Canada and has entered into an agreement under which the parties agree to undertake scientific research and experimental development related to a business of the particular partnership, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, each taxpayer who is a member of the particular partnership at the end of a fiscal period of the particular partnership in which the research and development was undertaken and who is neither a tax-exempt taxpayer within the meaning of paragraph *b.1* of section 1029.8.1 nor a specified member of the particular partnership in that fiscal period, is deemed, subject to the second paragraph, to have paid to the Minister, on the taxpayer’s balance-due day for the taxpayer’s taxation year in which that fiscal period ends, on account of the taxpayer’s tax payable for that year under this Part, if the taxpayer encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000 for that taxation year, or would be required to file if tax were payable under this Part by the taxpayer, and if no party to the agreement is an excluded partner at any time in that fiscal period within the period that begins on the date on which the agreement was entered into and all the parties to the agreement are dealing at arm’s length with each other, an amount equal to

(*a*) in the case of a contract entered into with an eligible public research centre within the meaning of paragraph *a.1* of section 1029.8.1, an eligible research consortium within the meaning of paragraph *a.1.1* of that section, or an eligible university entity within the meaning of paragraph *f* of that section, any of the following amounts:

- i. the amount determined under subparagraph *iii* of subparagraph *b*, or
- ii. the amount determined under section 1029.8 in respect of the portion of a consideration described in subparagraph *c* or *g* of the first paragraph of that section; and

(*b*) in any other case, 35% of the taxpayer’s share of an amount equal to the aggregate of

- i. all or part of a qualified expenditure the particular partnership has made in Québec that can reasonably be attributed to such research and development directly undertaken by the particular partnership in that fiscal period,
- ii. all or part of a qualified expenditure the particular partnership has made in Québec under a contract entered into with a person or another partnership with which a member of the particular partnership was not dealing at arm’s length at the time the contract was entered into, that can reasonably be attributed to such research and development directly undertaken by the person or the other partnership on behalf of the particular partnership in that fiscal period, and

iii. 80% of an amount representing all or part of a qualified expenditure the particular partnership has made in Québec under a contract entered into with a person or another partnership with which all the members of the particular partnership were dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to such research and development directly undertaken by the person or the other partnership on behalf of the particular partnership in that fiscal period.”

(3) Paragraph 2 of subsection 1, when it enacts the fourth paragraph of section 1029.8.16.1.5 of the Act, has effect from 14 March 2008.

**212.** (1) Sections 1029.8.16.1.7 and 1029.8.16.1.8 of the Act are repealed.

(2) Subsection 1 has effect from 14 March 2008.

**213.** (1) Section 1029.8.16.1.9 of the Act is replaced by the following section:

**“1029.8.16.1.9.** No taxpayer may be deemed to have paid to the Minister an amount or the taxpayer's share of an amount referred to in the first paragraph of section 1029.8.16.1.4 or 1029.8.16.1.5 in respect of an agreement referred to in that first paragraph, to which that amount or that share of an amount, as the case may be, is related, for scientific research and experimental development that is undertaken under the agreement after the expiration of the three-year period that begins on the day on which the Minister of Economic Development, Innovation and Export Trade issued its last qualification certificate in respect of the agreement.”

(2) Subsection 1 has effect from 14 March 2008.

**214.** Section 1029.8.18 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, a taxpayer's share of the amount of a contract payment, government assistance or non-government assistance that the partnership has received, is entitled to receive or can reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership's fiscal period that ends in the taxpayer's taxation year.”

**215.** Section 1029.8.18.0.1 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, a taxpayer's share of the amount of a contract payment, government assistance or non-government assistance that the partnership has received, is entitled to receive or can reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership's fiscal period that ends in the taxpayer's taxation year.”



**216.** Section 1029.8.18.1.1 of the Act, amended by section 437 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *i* of paragraph *b* by the following subparagraph:

“*i.* to be equal to the amount that, but for the assistance and if the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ended in the taxation year were the same as that for the partnership’s fiscal period that includes the particular time, would have been deemed to have been paid to the Minister by the taxpayer under that division in respect of that portion of the particular expenditure, particular eligible fee or particular eligible fee balance corresponding to the assistance so repaid, and”.

**217.** Section 1029.8.18.1.3 of the Act is amended by replacing subparagraph *i* of paragraph *b* by the following subparagraph:

“*i.* to be equal to the amount that, but for the assistance and, when the taxpayer is a member of the particular partnership, if the agreed proportion in respect of the taxpayer for the particular partnership’s fiscal period that ended in the taxation year were the same as that for the particular partnership’s fiscal period that includes the particular time, would have been deemed to have been paid to the Minister by the taxpayer under that division in respect of that portion of the particular expenditure corresponding to the assistance so repaid, and”.

**218.** (1) Section 1029.8.19.2 of the Act is amended

(1) by striking out the fourth and fifth paragraphs;

(2) by inserting the following paragraph after the eighth paragraph:

“Despite the third paragraph, if an expenditure for scientific research and experimental development is incurred or borne by an eligible public research centre, an eligible research consortium or an eligible university entity, within the meaning of any of paragraphs *a.1*, *a.1.1* and *f* of section 1029.8.1, in respect of scientific research and experimental development work undertaken by the centre, consortium or entity as part of a contract referred to in any of sections 1029.8.6, 1029.8.7, 1029.8.10, 1029.8.11, 1029.8.16.1.4 and 1029.8.16.1.5 entered into between a taxpayer or partnership and the centre, consortium or entity, the expenditure is deemed not to be a contribution referred to in the third paragraph.”;

(3) by replacing “incurring expenditures” in the ninth paragraph by “bearing expenditures”.

(2) Paragraph 1 of subsection 1 applies in respect of an expenditure incurred or borne after 13 March 2008 for scientific research and experimental development undertaken after that date.

(3) Paragraph 2 of subsection 1 applies in respect of an expenditure incurred or borne after 13 March 2008 for scientific research and experimental development undertaken after that date or, as the case may be, as part of an agreement for which a certificate has been issued after that date for the purposes of section 1029.8.16.1.4 or 1029.8.16.1.5 of the Act, or an agreement referred to in subparagraph i.2 of paragraph *b* of section 1029.8.16 of the Act for the purposes of section 1029.8.10 or 1029.8.11 of the Act.

**219.** Section 1029.8.21.24 of the Act is replaced by the following section:

**“1029.8.21.24.** For the purposes of section 1029.8.21.23, a qualified corporation’s share of a qualified expenditure incurred in a fiscal period by a qualified partnership of which the qualified corporation is a member is equal to the agreed proportion of the expenditure in respect of the qualified corporation for the fiscal period.”

**220.** Section 1029.8.21.25 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount of the assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the corporation for the partnership’s fiscal period.”

**221.** Section 1029.8.21.27 of the Act is amended by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph ii of paragraph *a*;

— subparagraphs i and ii of paragraph *b*.

**222.** Section 1029.8.21.28 of the Act is amended

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

“i. the aggregate determined under subparagraph *b* of the second paragraph of section 1029.8.21.17 were reduced, for the particular fiscal period, by the product obtained by multiplying any amount of such assistance so repaid at or before the end of the fiscal period of repayment by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment, and”;

(2) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

- subparagraph ii of paragraph *a*;
- subparagraphs i and ii of paragraph *b*.

**223.** Section 1029.8.21.30 of the Act is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. the product obtained by multiplying the amount of the benefit or advantage that the qualified corporation or a person with whom the qualified corporation is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the qualified corporation for the particular fiscal period.”

**224.** Division II.4.3 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.21.32 to 1029.8.21.51, is repealed.

**225.** (1) Section 1029.8.33.2 of the Act is amended, in the first paragraph,

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

““immigrant”, at a particular time during a qualified training period, means a person who at that time is

(*a*) a permanent resident within the meaning of subsection 1 of section 2 of the Immigration and Refugee Protection Act (Statutes of Canada, 2001, chapter 27);

(*b*) a temporary resident or a holder of a temporary resident permit within the meaning of the Immigration and Refugee Protection Act, who was resident in Canada during the 18-month period preceding that time; or

(*c*) a protected person within the meaning of the Immigration and Refugee Protection Act;”;

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

““disabled person”, at a particular time during a qualified training period, means a person in respect of whom subparagraphs *a* to *b.1* of the first paragraph of section 752.0.14 apply at that time;”.

(2) Subsection 1 applies in respect of an expenditure incurred after 13 March 2008 in relation to a training period that begins after that date.

**226.** (1) The Act is amended by inserting the following section after section 1029.8.33.4.2:

**“1029.8.33.4.3.** If the eligible trainee in respect of whom an amount is to be determined in accordance with section 1029.8.33.3 is a disabled person, the following rules apply:

(a) the amount of “\$600” in the fifth paragraph of section 1029.8.33.3 is to be replaced by an amount of “\$750” or, if section 1029.8.33.4.1 applies, the amount of “\$750” that, because of section 1029.8.33.4.1, replaces that amount of “\$600” is itself to be replaced by an amount of “\$1,050”; and

(b) the figure “10” in subparagraph *b* of the first paragraph of section 1029.8.33.4 is to be replaced by the figure “20” or, if section 1029.8.33.4.1 applies, the figure “20” that, because of section 1029.8.33.4.1, replaces that figure “10” is itself to be replaced by the figure “40.”

(2) Subsection 1 applies in respect of an expenditure incurred after 13 March 2008 in relation to a training period that begins after that date.

**227.** Section 1029.8.33.7 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, an eligible taxpayer’s share of a qualified expenditure made by a qualified partnership of which the eligible taxpayer is a member is equal to the agreed proportion of the expenditure in respect of the eligible taxpayer for the partnership’s fiscal period that ends in the eligible taxpayer’s taxation year.”

**228.** Section 1029.8.33.7.1 of the Act is amended

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

“ $A \times B$ .”;

(2) by replacing subparagraphs *a* and *b* of the second paragraph by the following subparagraphs:

“(a) *A* is the amount that would have been determined in respect of the particular qualified expenditure if, for the purposes of section 1029.8.33.3, the qualified partnership had in the particular fiscal period received the amount of assistance referred to in the first paragraph and the latter amount were multiplied by the reciprocal of the agreed proportion in respect of the eligible taxpayer for the qualified partnership’s particular fiscal period; and

“(b) B is the agreed proportion in respect of the eligible taxpayer for the qualified partnership’s particular fiscal period;”;

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

**229.** (1) Section 1029.8.33.7.2 of the Act is replaced by the following section:

**“1029.8.33.7.2.** For the purposes of sections 1029.8.33.6 and 1029.8.33.7, the following rules apply:

(a) if the eligible taxpayer referred to in either of those sections is a qualified corporation, the percentage of “15%” mentioned in the first paragraph of that section is to be replaced,

i. if the qualified expenditure is made in respect of an eligible trainee who is an immigrant or a disabled person, by a percentage of “40%” in respect of that expenditure, and

ii. in any other case, by a percentage of “30%”; and

(b) if the eligible taxpayer referred to in either of those sections is an individual (other than a tax-exempt individual) and the qualified expenditure is made in respect of an eligible trainee who is an immigrant or a disabled person, the percentage of “15%” mentioned in the first paragraph of that section is to be replaced, in respect of that expenditure, by a percentage of “20%”.

(2) Subsection 1 applies in respect of an expenditure incurred after 13 March 2008 in relation to a training period that begins after that date.

**230.** Section 1029.8.33.8 of the Act is amended

(1) by inserting “qualified” before “partnership” in subparagraphs i and ii of subparagraph *b* of the first paragraph;

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

“For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the eligible taxpayer’s share of the amount of the benefit or advantage that a partnership or a person other than a person referred to in subparagraph ii of that subparagraph *b* has obtained, is entitled to obtain or can reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the eligible taxpayer for the qualified partnership’s fiscal period that ends in the eligible taxpayer’s taxation year.”

**231.** (1) The Act is amended by inserting the following before Division II.5.2 of Chapter III.1 of Title III of Book IX of Part I:

**“DIVISION II.5.1.1****“CREDIT FOR LABOUR TRAINING IN THE MANUFACTURING SECTOR**

“§1. — *Interpretation and general*

**“1029.8.33.11.1.** In this division,

“accredited instructor” means a training body or an instructor accredited by the Minister of Employment and Social Solidarity under the Act to promote workforce skills development and recognition (chapter D-8.3) or a regulation made under that Act;

“apparent payment” means an amount paid or payable by an eligible instructor for the use of premises, facilities or equipment, or for the supply of services, that may reasonably be considered to be included in an eligible training expenditure;

“eligibility period” means the period beginning on 24 November 2007 and ending on 31 December 2011;

“eligible activity” of an eligible employer means an activity of the employer that relates to the manufacturing sector and is described under code 31, 32 or 33 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada;

“eligible employee” of an eligible employer for a taxation year or fiscal period means an employee of an establishment of the employer situated in Québec, other than an excluded employee at any time in that year or period, whose duties, for the year or period, consist primarily in carrying out or supervising duties attributable to an eligible activity;

“eligible employer” means a qualified corporation or a qualified partnership;

“eligible instructor” in respect of an eligible employer at any time means a recognized educational institution or accredited instructor, but does not include a person or partnership that is, at that time,

(a) an employee of the eligible employer;

(b) a specified shareholder, a specified member or a member, as the case may be, of the eligible employer;

(c) an employee, a specified shareholder or a specified member of a person with whom the eligible employer is not dealing at arm’s length;

(d) an employee or a member of a partnership with which the eligible employer is not dealing at arm’s length;

(e) an employee, a specified shareholder or a specified member of a person who is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer;

(f) an employee, a specified shareholder or a specified member of a person who is a specified shareholder, a specified member or a member, as the case may be, of a person with whom the eligible employer is not dealing at arm's length;

(g) a member of a partnership that is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer or of a person with whom the eligible employer is not dealing at arm's length; or

(h) an employee, a specified shareholder or a specified member of a corporation that carries on a personal services business, or an employee or a member of a partnership that carries on such a business, if a shareholder or a specified member of the corporation or a member of the partnership is both a specified shareholder or a specified member of the corporation or a member of the partnership, as the case may be, and

i. an employee, a specified shareholder or a specified member of the eligible employer or of a person with whom the eligible employer is not dealing at arm's length, or

ii. an employee, a specified shareholder or a specified member of a person or a member of a partnership that is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer or of a person with whom the eligible employer is not dealing at arm's length;

“eligible training” in respect of an eligible employer means a course that relates to an eligible activity of the eligible employer and that is given by an eligible instructor, in respect of the employer, under a contract entered into after 23 November 2007 between the instructor and the employer, but does not include

(a) a seminar, convention, conference or other similar activity; or

(b) a course in respect of which any of the following conditions is met:

i. the course is required by a professional order governed by the Professional Code (chapter C-26) and is intended for a member of such an order or a person who is in the process of becoming such a member,

ii. the course is required by an employers' association or a union association, or a similar association, and is intended for a member of such an association or a person who is in the process of becoming such a member,

iii. the course is taken because the eligible employer is required to comply with a law or regulation,

iv. the main objective of the course is to increase an employee's skills regarding the negotiation or conclusion of contracts that concern the sale of a property or the provision of a service, and

v. the course is described in the definition of "eligible training" in the first paragraph of section 1029.8.33.11.11;

"eligible training expenditure" of an eligible employer for a taxation year or fiscal period means, subject to section 1029.8.33.11.2, the aggregate of all amounts each of which is an amount, incurred in the part of the eligibility period that is included in the year or period and determined in respect of an eligible employee of the eligible employer who participates in eligible training that begins in the eligibility period, equal to the total of

(a) the cost of the eligible training to the eligible employer or, if more than one person participates in the eligible training, the portion of that cost that may reasonably be attributed to the eligible employee's participation in that training; and

(b) the lesser of

i. the portion of the eligible employee's salary or wages that may reasonably be attributed to the period during which the eligible employee attends the eligible training, and

ii. 200% of the amount determined under paragraph *a*;

"excluded corporation" means a corporation that

(a) is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1; or

(b) would be exempt from tax for the year under section 985, but for section 192;

"excluded employee" of an eligible employer at a particular time means,

(a) if the employer is a corporation, an employee who is, at that time, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation;

(b) if the employer is a partnership, an employee who

i. is, at that time, a member of the partnership, or a specified shareholder or specified member of that member, or

ii. is not, at that time, dealing at arm's length with a member of the partnership, or with a specified shareholder or specified member of that member;



(c) an employee in respect of whom it may reasonably be considered that one of the purposes for which the employee works for the eligible employer would be to allow, but for this paragraph, the employer or a corporation that is a member of the employer to be deemed to have paid, in respect of the employee, an amount to the Minister under section 1029.8.33.11.3 or 1029.8.33.11.4; and

(d) an employee in respect of whom it may reasonably be considered that the conditions of employment with the eligible employer have been changed mainly to allow, but for this paragraph, the employer or a corporation that is a member of the employer to be deemed to have paid, in respect of the employee, an amount to the Minister under section 1029.8.33.11.3 or 1029.8.33.11.4, or to increase an amount that the employer or a corporation that is a member of the employer would be deemed, but for this paragraph, to have paid to the Minister under either of those sections in respect of the employee;

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation, that, in the year, has an establishment in Québec where it carries on an eligible activity;

“qualified partnership” for a fiscal period means a partnership that, in that period, has an establishment in Québec where it carries on an eligible activity;

“recognized educational institution” means an educational institution that is

(a) a secondary-level or college-level educational institution under the authority of the Ministère de l'Éducation, du Loisir et du Sport;

(b) an educational institution accredited for purposes of subsidies under section 77 of the Act respecting private education (chapter E-9.1);

(c) an educational institution mentioned in the list established by the Minister of Education, Recreation and Sports under any of subparagraphs 1 to 3 of the first paragraph of section 56 of the Act respecting financial assistance for education expenses (chapter A-13.3); or

(d) an educational institution operated by a person holding a permit issued, for that educational institution, by the Minister of Education, Recreation and Sports under section 12 of the Act respecting private education, provided that it offers a vocational education or vocational training program referred to in Chapter I of that Act;

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

“specified member” of a corporation that is a cooperative at any time means a member having, directly or indirectly, at that time, at least 10% of the votes at a meeting of the members of the cooperative.

For the purposes of paragraph *a* of the definition of “eligible training expenditure” in the first paragraph, the cost of eligible training does not include the travel, meal or accommodation expenses incurred in respect of an eligible employee in order to allow that employee to attend the eligible training.

**“1029.8.33.11.2.** The eligible training expenditure of an eligible employer, for a taxation year or fiscal period, who is required to participate in workforce skills development in accordance with section 3 of the Act to promote workforce skills development and recognition (chapter D-8.3) for a calendar year that ends in the taxation year or fiscal period may not exceed an amount equal to the excess amount for the eligible employer that corresponds to the amount by which the amount that is, for the purposes of that Act, the total of the eligible employer’s eligible training expenditures for that calendar year, exceeds the total of

(a) the amount of the eligible employer’s minimum participation set for that calendar year under section 3 of that Act; and

(b) the amount of the eligible employer’s eligible training expenditure, within the meaning assigned by the first paragraph of section 1029.8.33.11.11, determined for the taxation year or fiscal period.

For the purposes of the first paragraph, an eligible employer who is an employer exempted from the application of Chapter II of the Act to promote workforce skills development and recognition, for a calendar year, under a regulation made under subparagraph 3 of the first paragraph of section 20 of that Act is deemed, for that calendar year, to be an employer who is required to participate in workforce skills development in accordance with section 3 of that Act.

“§2. — *Credits*

**“1029.8.33.11.3.** A qualified corporation that, in a taxation year, incurs an eligible training expenditure and encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 30% of the amount of that expenditure, to the extent that that expenditure has been paid.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.33.11.4.** If, in a fiscal period, a qualified partnership incurs an eligible training expenditure, each corporation, other than an excluded corporation, that is a member of that partnership at the end of the fiscal period and that encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file under section 1000 for the corporation’s taxation year in which the fiscal period ends is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of the corporation’s share of that expenditure, to the extent that that expenditure has been paid.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, for the corporation’s taxation year in which the fiscal period of the qualified partnership ends, the corporation is deemed to have paid to the Minister, on account of the aggregate of the corporation’s tax payable for the year under this Part and of the corporation’s tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

For the purposes of the first paragraph, the corporation’s share of an eligible training expenditure incurred by a qualified partnership in a fiscal period is equal to the agreed proportion of the expenditure in respect of the corporation for the fiscal period.

**“1029.8.33.11.5.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.33.11.3 or 1029.8.33.11.4, the following rules apply:

(a) the amount of the corporation’s expenditure referred to in the first paragraph of section 1029.8.33.11.3 is to be reduced, if applicable, by the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the corporation or, in the case of an apparent payment, a person with whom the corporation does not deal at arm’s length has received, is entitled to receive or may reasonably expect to receive on or before the corporation’s filing-due date for the taxation year; and

(b) the corporation’s share of the eligible training expenditure referred to in the first paragraph of section 1029.8.33.11.4 of a qualified partnership of which the corporation is a member, for a fiscal period of the partnership that ends in the corporation’s taxation year is to be reduced, if applicable,

i. by the corporation’s share of the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the qualified partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the corporation or, in the case of an apparent payment, a person with whom the corporation does not deal at arm’s length has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph b of the first paragraph, the corporation’s share, for the qualified partnership’s fiscal period, of the amount of any government assistance, non-government assistance or apparent payment that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

**“1029.8.33.11.6.** If, in respect of an eligible training expenditure incurred by a qualified corporation in a taxation year or by a qualified partnership in a fiscal period, in relation to eligible training, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the eligible training, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that is deemed to have been paid to the Minister, for the taxation year, by the qualified corporation under section 1029.8.33.11.3, the amount of the eligible training expenditure is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister under section 1029.8.33.11.4 by a corporation that is a member of the qualified partnership for the corporation's taxation year in which the fiscal period ends, the corporation's share of the eligible training expenditure is to be reduced, if applicable,

i. by the corporation's share of the amount of the benefit or advantage that a partnership or a person, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the corporation or a person with whom it is not dealing at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph b of the first paragraph, the corporation's share, for the qualified partnership's fiscal period, of the amount of the benefit or advantage that a partnership or a person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

**“1029.8.33.11.7.** If, before 1 January 2014, a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph a of the first paragraph of section 1029.8.33.11.5, an eligible training expenditure of the corporation for a particular taxation year for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for the particular taxation year under section 1029.8.33.11.3, the corporation is deemed, if the corporation encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file for the repayment year under section 1000, to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that the corporation would be deemed to have paid to the Minister for the particular taxation year under section 1029.8.33.11.3, in respect of the eligible training expenditure, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular taxation year, the amount of any

government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.33.11.5, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.3 for the particular taxation year in respect of the eligible training expenditure; and

(b) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

**“1029.8.33.11.8.** If, before 1 January 2014, a partnership pays, in a fiscal period (in this section referred to as the “fiscal period of repayment”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.33.11.5, a corporation’s share of an eligible training expenditure of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.4, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.33.11.4 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.33.11.4, for its taxation year in which the particular fiscal period ends, in respect of the eligible training expenditure of the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.33.11.5; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.33.11.9.** If, before 1 January 2014, a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.33.11.5, its share of an eligible training expenditure of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.4, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.33.11.4 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.33.11.4 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.33.11.5; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.33.11.10.** For the purposes of sections 1029.8.33.11.7 to 1029.8.33.11.9, an amount of assistance is deemed to be repaid by a corporation or partnership at a particular time, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.33.11.5, an eligible training expenditure or the share of a corporation that is a member of the partnership in such an expenditure, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.33.11.3 or 1029.8.33.11.4;

(b) was not received by the corporation or partnership; and

(c) ceased at the particular time to be an amount that the corporation or partnership could reasonably expect to receive.

#### **“DIVISION II.5.1.2**

##### **“CREDIT FOR FRANCIZATION IN THE WORKPLACE**

**“§1. — *Interpretation and general***

**“1029.8.33.11.11.** In this division,

“accredited instructor” means a training body or an instructor accredited by the Minister of Employment and Social Solidarity under the Act to promote workforce skills development and recognition (chapter D-8.3) or a regulation made under that Act;

“apparent payment” means an amount paid or payable by an eligible instructor for the use of premises, facilities or equipment, or for the supply of services, that may reasonably be considered to be included in an eligible training expenditure;

“eligibility period” means the period beginning on 14 March 2008 and ending on 31 December 2011;



“eligible employee” of an eligible employer at a particular time in a taxation year or fiscal period means an individual who is, at that time, an employee, other than an excluded employee, of an establishment of the employer situated in Québec and an immigrant;

“eligible employer” means a qualified corporation or a qualified partnership;

“eligible instructor” in respect of an eligible employer at any time means a recognized educational institution or accredited instructor, but does not include a person or partnership that is, at that time,

(a) an employee of the eligible employer;

(b) a specified shareholder, a specified member or a member, as the case may be, of the eligible employer;

(c) an employee, a specified shareholder or a specified member of a person with whom the eligible employer is not dealing at arm’s length;

(d) an employee or a member of a partnership with which the eligible employer is not dealing at arm’s length;

(e) an employee, a specified shareholder or a specified member of a person who is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer;

(f) an employee, a specified shareholder or a specified member of a person who is a specified shareholder, a specified member or a member, as the case may be, of a person with whom the eligible employer is not dealing at arm’s length;

(g) a member of a partnership that is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer or of a person with whom the eligible employer is not dealing at arm’s length; or

(h) an employee, a specified shareholder or a specified member of a corporation that carries on a personal services business, or an employee or a member of a partnership that carries on such a business, if a shareholder or a specified member of the corporation or a member of the partnership is both a specified shareholder or a specified member of the corporation or a member of the partnership, as the case may be, and

i. an employee, a specified shareholder or a specified member of the eligible employer or of a person with whom the eligible employer is not dealing at arm’s length, or

ii. an employee, a specified shareholder or a specified member of a person or a member of a partnership that is a specified shareholder, a specified member or a member, as the case may be, of the eligible employer or of a person with whom the eligible employer is not dealing at arm’s length;

“eligible training” in respect of an eligible employer means a course designed to foster the francization of immigrants that is given by an eligible instructor, in respect of the employer, under a contract entered into after 13 March 2008 between the instructor and the employer, but does not include a course taken because the eligible employer is required to comply with a law or regulation;

“eligible training expenditure” of an eligible employer for a taxation year or fiscal period means, subject to section 1029.8.33.11.12, the aggregate of all amounts each of which is an amount, incurred in the part of the eligibility period that is included in the year or period and determined in respect of an eligible employee of the eligible employer who participates in eligible training that begins in the eligibility period, equal to the total of

(a) the cost of the eligible training to the eligible employer or, if more than one person participates in the eligible training, the portion of that cost that may reasonably be attributed to the eligible employee’s participation in that training; and

(b) the lesser of

i. the portion of the eligible employee’s salary or wages that may reasonably be attributed to the period during which the eligible employee attends the eligible training, and

ii. 200% of the amount determined under paragraph *a*;

“excluded corporation” means a corporation that

(a) is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1; or

(b) would be exempt from tax for the year under section 985, but for section 192;

“excluded employee” of an eligible employer at a particular time means,

(a) if the employer is a corporation, an employee who is, at that time, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation;

(b) if the employer is a partnership, an employee who

i. is, at that time, a member of the partnership, or a specified shareholder or specified member of that member, or

ii. is not, at that time, dealing at arm’s length with a member of the partnership, or with a specified shareholder or specified member of that member;

(c) an employee in respect of whom it may reasonably be considered that one of the purposes for which the employee works for the eligible employer would be to allow, but for this paragraph, the employer or a corporation that is a member of the employer to be deemed to have paid, in respect of the employee, an amount to the Minister under section 1029.8.33.11.13 or 1029.8.33.11.14; and

(d) an employee in respect of whom it may reasonably be considered that the conditions of employment with the eligible employer have been changed mainly to allow, but for this paragraph, the employer or a corporation that is a member of the employer to be deemed to have paid, in respect of the employee, an amount to the Minister under section 1029.8.33.11.13 or 1029.8.33.11.14, or to increase an amount that the employer or a corporation that is a member of the employer would be deemed, but for this paragraph, to have paid to the Minister under either of those sections in respect of the employee;

“immigrant”, at any time of a taxation year or fiscal period, means a person who, at that time, is, within the meaning of the Immigration and Refugee Protection Act (Statutes of Canada, 2001, chapter 27),

(a) a permanent resident;

(b) a temporary resident or a holder of a temporary resident permit who was resident in Canada during the 18-month period preceding that time; or

(c) a protected person;

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation, that, in the year, has an establishment in Québec;

“qualified partnership” for a fiscal period means a partnership that, in that period, has an establishment in Québec;

“recognized educational institution” means an educational institution that is

(a) a secondary-level or college-level educational institution under the authority of the Ministère de l'Éducation, du Loisir et du Sport;

(b) an educational institution accredited for purposes of subsidies under section 77 of the Act respecting private education (chapter E-9.1);

(c) an educational institution mentioned in the list established by the Minister of Education, Recreation and Sports under any of subparagraphs 1 to 3 of the first paragraph of section 56 of the Act respecting financial assistance for education expenses (chapter A-13.3); or

(d) an educational institution operated by a person holding a permit issued, for that educational institution, by the Minister of Education, Recreation and Sports under section 12 of the Act respecting private education, provided that it offers a vocational education or vocational training program referred to in Chapter I of that Act;

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

“specified member” of a corporation that is a cooperative at any time means a member having, directly or indirectly, at that time, at least 10% of the votes at a meeting of the members of the cooperative.

For the purposes of paragraph *a* of the definition of “eligible training expenditure” in the first paragraph, the cost of eligible training does not include the travel, meal or accommodation expenses incurred in respect of an eligible employee in order to allow that employee to attend the eligible training.

**“1029.8.33.11.12.** The eligible training expenditure of an eligible employer, for a taxation year or fiscal period, who is required to participate in workforce skills development in accordance with section 3 of the Act to promote workforce skills development and recognition (chapter D-8.3) for a calendar year that ends in the taxation year or fiscal period may not exceed an amount equal to the excess amount for the eligible employer that corresponds to the amount by which the amount that is, for the purposes of that Act, the total of the eligible employer’s eligible training expenditures for that calendar year, exceeds the amount of the eligible employer’s minimum participation set for that calendar year under section 3 of that Act.

For the purposes of the first paragraph, an eligible employer who is an employer exempted from the application of Chapter II of the Act to promote workforce skills development and recognition, for a calendar year, under a regulation made under subparagraph 3 of the first paragraph of section 20 of that Act is deemed, for that calendar year, to be an employer who is required to participate in workforce skills development in accordance with section 3 of that Act.

“§2. — *Credits*

**“1029.8.33.11.13.** A qualified corporation that, in a taxation year, incurs an eligible training expenditure and encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 30% of the amount of that expenditure, to the extent that that expenditure has been paid.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.33.11.14.** If, in a fiscal period, a qualified partnership incurs an eligible training expenditure, each corporation, other than an excluded corporation, that is a member of that partnership at the end of the fiscal period and that encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file under section 1000 for the corporation’s taxation year in which the fiscal period ends is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of the corporation’s share of that expenditure, to the extent that that expenditure has been paid.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, for the corporation’s taxation year in which the fiscal period of the qualified partnership ends, the corporation is deemed to have paid to the Minister, on account of the aggregate of the corporation’s tax payable for the year under this Part and of the corporation’s tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

For the purposes of the first paragraph, the corporation's share of an eligible training expenditure incurred by a qualified partnership in a fiscal period is equal to the agreed proportion of the expenditure in respect of the corporation for the fiscal period.

**“1029.8.33.11.15.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.33.11.13 or 1029.8.33.11.14, the following rules apply:

(a) the amount of the corporation's expenditure referred to in the first paragraph of section 1029.8.33.11.13 is to be reduced, if applicable, by the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the corporation or, in the case of an apparent payment, a person with whom the corporation does not deal at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(b) the corporation's share of the eligible training expenditure referred to in the first paragraph of section 1029.8.33.11.14 of a qualified partnership of which the corporation is a member, for a fiscal period of the partnership that ends in the corporation's taxation year is to be reduced, if applicable,

i. by the corporation's share of the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the qualified partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the corporation or, in the case of an apparent payment, a person with whom the corporation does not deal at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph b of the first paragraph, the corporation's share, for the qualified partnership's fiscal period, of the amount of any government assistance, non-government assistance or apparent payment that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

**“1029.8.33.11.16.** If, in respect of an eligible training expenditure incurred by a qualified corporation in a taxation year or by a qualified partnership in a fiscal period in relation to eligible training, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the eligible training, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that is deemed to have been paid to the Minister, for the taxation year, by the qualified corporation under section 1029.8.33.11.13, the amount of the eligible training expenditure is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation’s filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister under section 1029.8.33.11.14 by a corporation that is a member of the qualified partnership for the corporation’s taxation year in which the fiscal period ends, the corporation’s share of the eligible training expenditure is to be reduced, if applicable,

i. by the corporation’s share of the amount of the benefit or advantage that a partnership or a person, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the corporation or a person with whom it does not deal at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph b of the first paragraph, the corporation’s share, for the qualified partnership’s fiscal period, of the amount of the benefit or advantage that a partnership or a person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

**“1029.8.33.11.17.** If, before 1 January 2014, a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph a of the first paragraph of section 1029.8.33.11.15, an eligible training expenditure of the corporation for a particular taxation year for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for the particular taxation year under

section 1029.8.33.11.13, the corporation is deemed, if the corporation encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file for the repayment year under section 1000, to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that the corporation would be deemed to have paid to the Minister for the particular taxation year under section 1029.8.33.11.13, in respect of the eligible training expenditure, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular taxation year, the amount of any government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.33.11.15, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.13 for the particular taxation year in respect of the eligible training expenditure; and

(b) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

**“1029.8.33.11.18.** If, before 1 January 2014, a partnership pays, in a fiscal period (in this section referred to as the “fiscal period of repayment”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.33.11.15, a corporation's share of an eligible training expenditure of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.14, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.33.11.14 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.33.11.14, for its taxation year in which the particular fiscal period ends, in respect of the eligible training expenditure of the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and



(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.33.11.15; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.33.11.19.** If, before 1 January 2014, a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.33.11.15, its share of an eligible training expenditure of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.33.11.14, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.33.11.14 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.33.11.14 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that

assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.33.11.15; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.33.11.20.** For the purposes of sections 1029.8.33.11.17 to 1029.8.33.11.19, an amount of assistance is deemed to be repaid by a corporation or partnership at a particular time, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.33.11.15, an eligible training expenditure or the share of a corporation that is a member of the partnership in such an expenditure, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.33.11.13 or 1029.8.33.11.14;

(b) was not received by the corporation or partnership; and

(c) ceased at the particular time to be an amount that the corporation or partnership could reasonably expect to receive.”

(2) Subsection 1, when it enacts Division II.5.1.1 of Chapter III.1 of Title III of Book IX of Part I of this Act, has effect from 24 November 2007. However,

(1) when the definition of “eligible training” in the first paragraph of section 1029.8.33.11.1 of the Act applies before 14 March 2008, it reads without reference to subparagraph *v* of paragraph *b*; and

(2) when the first paragraph of section 1029.8.33.11.2 of the Act applies before 14 March 2008, it reads as follows:

**“1029.8.33.11.2.** The eligible training expenditure of an eligible employer, for a taxation year or fiscal period, who is required to participate in workforce skills development in accordance with section 3 of the Act to promote workforce skills development and recognition (chapter D-8.3) for a calendar year that ends in the taxation year or fiscal period may not exceed

an amount equal to the excess amount for the eligible employer that corresponds to the amount by which the amount that is, for the purposes of that Act, the total of the eligible employer's eligible training expenditures for that calendar year, exceeds the amount of the eligible employer's minimum participation set for that calendar year under section 3 of that Act."

(3) Subsection 1, when it enacts Division II.5.1.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, has effect from 14 March 2008.

**232.** Section 1029.8.33.14 of the Act is amended by replacing the second paragraph by the following paragraph:

"For the purposes of the first paragraph, a taxpayer's share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the qualified partnership's fiscal period that ends in the taxpayer's taxation year."

**233.** Section 1029.8.34 of the Act is amended by replacing paragraph *a.3* of the definition of "qualified corporation" in the first paragraph by the following paragraph:

"(a.3) a corporation that, at any time in the year or during the 24 months preceding the year, is not dealing at arm's length with another corporation that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission unless the corporation holds, for that year, a qualification certificate issued by the Société de développement des entreprises culturelles for the purposes of this division; or".

**234.** (1) Section 1029.8.35.2 of the Act is amended

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

"(a) 39.375%, in the case of any production in respect of which the Société de développement des entreprises culturelles has issued a certificate, for the purposes of this division, to the effect that the production qualifies for the increase applicable to certain French-language productions or to giant-screen films; and";

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

"(a) 45%, in the case of any production in respect of which the Société de développement des entreprises culturelles has issued a certificate, for the purposes of this division, to the effect that the production qualifies for the increase applicable to certain French-language productions or to giant-screen films; and".

(2) Subsection 1 has effect from 20 December 2007.

**235.** Section 1029.8.36.0.0.1 of the Act is amended by replacing “la calligraphie/grille/dactylo” in subparagraph iv of paragraph *a* of the definition of “service de doublage admissible” in the first paragraph in the French text by “la calligraphie/grille/dactylographie”.

**236.** (1) Section 1029.8.36.0.0.4 of the Act is amended, in the first paragraph,

(1) by inserting “, 500% or 400%, as the case may be,” after “100/11” in subparagraph iii of paragraph *a* of the definition of “qualified labour expenditure”;

(2) by replacing the definition of “qualified low-budget production” by the following definition:

““qualified low-budget production” for a taxation year means a property that is a production, other than a qualified production or an excluded production, in respect of which the Société de développement des entreprises culturelles certifies, on the advance ruling given or the certificate issued by it to a corporation in respect of the production, that the production qualifies as a low-budget production for the purposes of this division;”;

(3) by replacing paragraph *f* of the definition of “excluded corporation” by the following paragraph:

“(f) at any time in the year or during the 24 months preceding the year, related to another corporation holding a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission unless the corporation holds, for that year, a qualification certificate issued by the Société de développement des entreprises culturelles for the purposes of this division;”.

(2) Paragraph 1 of subsection 1 has effect from 31 December 2004. However, when section 1029.8.36.0.0.4 of the Act applies before 21 December 2007, it is to be read as if “, 500% or 400%, as the case may be,” in subparagraph iii of paragraph *a* of the definition of “qualified labour expenditure” in the first paragraph was replaced by “or 500%”.

**237.** (1) Section 1029.8.36.0.0.5 of the Act is amended by replacing subparagraph ii of subparagraph *a* of the first paragraph by the following subparagraph:

“ii. 11% of the portion of its qualified labour expenditure for the year in respect of the property, relating to a labour expenditure incurred in respect of the property before 31 December 2004, 20% of the portion of its qualified labour expenditure for the year in respect of the property, relating to a labour expenditure incurred in respect of the property after 30 December 2004 and before 21 December 2007, and 25% of the portion of its qualified labour

expenditure for the year in respect of the property, relating to a labour expenditure incurred in respect of the property after 20 December 2007; and”.

(2) Subsection 1 has effect from 21 December 2007.

**238.** (1) Section 1029.8.36.0.3.46 of the Act is amended

(1) by replacing the definition of “eligible activity” in the first paragraph by the following definition:

““eligible activity” of a corporation for a taxation year means an activity that the corporation carries on in the year and that is covered by the qualification certificate referred to in the first paragraph of section 1029.8.36.0.3.48 that Investissement Québec issues to the corporation for the year;”;

(2) by replacing “à l’effet” in the definition of “employé admissible” in the first paragraph in the French text by “certifiant”;

(3) by adding the following paragraph after paragraph *c* of the definition of “qualified corporation” in the first paragraph:

“(d) a corporation that has made an election under the fourth or fifth paragraph of section 1029.8.36.0.3.80 for the year or a preceding taxation year;”;

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

“(b) where an employer is a partnership, the partnership is deemed to be a corporation whose taxation year corresponds to the partnership’s fiscal period and all the voting shares in the capital stock of which are owned at the end of a calendar year by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s last fiscal period that ends at or before that time; and”.

(2) Paragraph 3 of subsection 1 has effect from 14 March 2008.

**239.** Section 1029.8.36.0.3.69.2 of the Act, enacted by section 444 of chapter 5 of the statutes of 2009, is amended by replacing paragraph *b* by the following paragraph:

“(b) if the vendor or purchaser is a partnership, the vendor or purchaser is deemed to be a corporation whose taxation year corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and”.

**240.** (1) Section 1029.8.36.0.3.72 of the Act is amended by replacing the definition of “excluded corporation” in the first paragraph by the following definition:

““excluded corporation” for a taxation year means a corporation that

(a) is exempt from tax under Book VIII for the year;

(b) would be exempt from tax under section 985 for the year, but for section 192; or

(c) has made an election under the fourth or fifth paragraph of section 1029.8.36.0.3.80 for the year or a preceding taxation year;”.

(2) Subsection 1 has effect from 14 March 2008.

**241.** (1) The Act is amended by inserting the following after section 1029.8.36.0.3.78:

**“DIVISION II.6.0.1.9**

**“CREDIT FOR THE DEVELOPMENT OF E-BUSINESS**

**“§1. — *Interpretation and general***

**“1029.8.36.0.3.79.** In this division,

“biotechnology development centre” has the meaning assigned by the first paragraph of section 771.1;

“eligibility period” of a corporation for a taxation year means the part of the year within the period that begins on 14 March 2008 and ends on 31 December 2015;

“eligible activity” of a corporation for a taxation year means an activity that the corporation carries on in the year and that is covered by the qualification certificate referred to in the first paragraph of section 1029.8.36.0.3.80 that Investissement Québec issues to the corporation for the year;

“eligible employee” of a corporation for all or part of a taxation year means an employee of the corporation, other than an excluded employee at any time in the year, who, in the year or part of the year, reports for work at an establishment of the corporation situated in Québec and in respect of whom a qualification certificate to the effect that the employee is an eligible employee for all or part of the year is issued to the corporation for the year by Investissement Québec for the purposes of this division;

“excluded corporation” for a taxation year means

(a) a corporation that is exempt from tax for the year under Book VIII; or

(b) a corporation that would be exempt from tax for the year under section 985, but for section 192;

“excluded employee” of a corporation at a particular time means an employee who, at that time, is a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of that corporation;

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation, that, in the year, carries on a business in Québec and has an establishment in Québec;

“qualified wages” incurred by a qualified corporation in a taxation year in respect of an eligible employee for all or part of the taxation year means the lesser of

(a) the amount obtained by multiplying \$66,667 by the proportion that the number of days in the qualified corporation’s eligibility period for the year during which the employee qualifies as an eligible employee of the qualified corporation is of 365; and

(b) the amount by which the amount of the wages incurred by the qualified corporation in respect of the employee, in the qualified corporation’s eligibility period for the year, while the employee qualifies as an eligible employee of the qualified corporation, to the extent that that amount is paid, exceeds the aggregate of

i. the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such wages that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before the qualified corporation’s filing-due date for the taxation year, and

ii. the aggregate of all amounts each of which is the amount of a benefit or advantage in respect of such wages, other than a benefit or advantage that may reasonably be attributed to work carried out by the eligible employee in connection with an eligible activity of the qualified corporation for the taxation year that a person or partnership has received, is entitled to receive or may reasonably expect to receive, on or before the qualified corporation’s filing-due date for that taxation year, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner;

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative;

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

For the purposes of the definition of “eligible employee” in the first paragraph,

(a) if, during all or part of a taxation year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(b) if, during all or part of a taxation year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

“§2. — *Credit*

**“1029.3.36.0.3.80.** A qualified corporation that holds, for a taxation year, a valid qualification certificate issued by Investissement Québec for the purposes of this division and that encloses with the fiscal return it is required to file for the year under section 1000 a copy of the certificate as well as the documents described in the third paragraph is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of the aggregate of all amounts each of which is the qualified wages incurred by the corporation in the year in respect of an eligible employee for all or part of that year.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of



(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information; and

(b) a copy of the valid qualification certificate issued to the corporation for the year by Investissement Québec in respect of an eligible employee for the purposes of this division.

Despite the first paragraph, a corporation that is described in the sixth paragraph in relation to a taxation year, that made no election under this paragraph or under the fifth paragraph for a preceding taxation year and that is not required to make the election described in the fifth paragraph for the year, may be deemed to have paid to the Minister an amount determined under this section for the year only if the corporation so elects irrevocably for the year in the manner and within the time specified in the seventh paragraph.

Despite the first paragraph, if corporations are associated with each other in a taxation year, all those corporations together being referred to in this section as the “group of associated corporations” for the year, if a particular corporation that is a member of the group of associated corporations for the year holds a valid qualification certificate issued for the year by Investissement Québec for the purposes of this division, if at least one other corporation that is a member of the group for the year did not make the election under the fourth paragraph or under this paragraph for a preceding taxation year and if at least one corporation that is a member of the group of associated corporations for the year, other than the particular corporation, is a corporation described in the sixth paragraph in relation to that year, the particular corporation may be deemed to have paid to the Minister an amount determined under this section for the year only if all the corporations that are members of the group for the year jointly and irrevocably elect, in the manner and within the time specified in the eighth paragraph, that this section apply to the particular corporation for the year.

A corporation to which the fourth and fifth paragraphs refer, in relation to a particular taxation year, is

(a) a corporation that is deemed to have paid an amount to the Minister on account of its tax payable for a taxation year preceding the particular year under any of Divisions II.6.0.1.6, II.6.0.1.8 and II.6.0.3 or that is deemed, under section 34.1.9 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), to have made an overpayment to the Minister for that preceding year for the purposes of Division I of Chapter IV of that Act; or

(b) a corporation that carries on an eligible business in a biotechnology development centre in the particular year or that entered into a contract that qualifies as an eligible contract of the corporation for the year for the purposes of Division II.6.0.1.8.

A corporation makes the election under the fourth paragraph, in respect of a taxation year, by filing the prescribed form containing prescribed information with the Minister on or before the corporation's filing-due date for the year.

The corporations that are members of a group of associated corporations for a particular taxation year make the election under the fifth paragraph for the particular year by filing the prescribed form containing prescribed information with the Minister on or before the earliest of the filing-due dates of the members of the group for the year.

**“1029.8.36.0.3.81.** Subject to sections 1010 to 1011 and for the purposes of this division, if Investissement Québec replaces or revokes a certificate that was issued to a corporation for a taxation year, the following rules apply:

(a) a replaced certificate is null from the time it was issued or deemed issued and the new certificate is deemed to have been issued at that time for that taxation year; and

(b) a revoked certificate is null from the time the revocation becomes effective.

A revoked certificate referred to in the first paragraph is deemed not to have been issued as of the effective date specified in the notice of revocation.

*“§3. — Government assistance and non-government assistance*

**“1029.8.36.0.3.82.** If, before 1 January 2018, a corporation pays in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing qualified wages incurred in a particular taxation year by the corporation in respect of an eligible employee and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.80 for the particular taxation year, the corporation is deemed, if it encloses the prescribed form with the fiscal

return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance due-day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year in respect of the qualified wages under section 1029.8.36.0.3.80 if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount determined under subparagraph *i* of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.79, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.80 for the particular year in respect of the qualified wages; and

(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

**“1029.8.36.0.3.83.** For the purposes of section 1029.8.36.0.3.82, an amount of assistance is deemed to be repaid by a corporation in a taxation year, pursuant to a legal obligation, if that amount

(a) reduced, because of subparagraph *i* of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.79, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.80;

(b) was not received by the corporation; and

(c) ceased in the taxation year to be an amount that the corporation may reasonably expect to receive.”

(2) Subsection 1 has effect from 14 March 2008.

**242.** (1) Section 1029.8.36.0.17 of the Act is amended, in the first paragraph,

(1) by replacing “à l’effet” in the following provisions in the French text by “certifiant”:

— the definition of “employé admissible”;

— the definition of “employé déterminé”;

— paragraph *c* of the definition of “société déterminée”;

(2) by replacing the definition of “eligible facility” by the following definition:

““eligible facility” of a person in relation to a biotechnology development centre means a facility in respect of which a certificate was issued to the person by Investissement Québec for the purposes of this division;”;

(3) by adding the following subparagraph after subparagraph iv of paragraph *b* of the definition of “specified corporation”:

“v. a corporation that has made an election under the fourth or fifth paragraph of section 1029.8.36.0.3.80 for the year or a preceding taxation year; and”.

(2) Paragraph 3 of subsection 1 has effect from 14 March 2008.

**243.** Section 1029.8.36.0.46 of the Act is replaced by the following section:

**“1029.8.36.0.46.** For the purposes of sections 1029.8.36.0.44 and 1029.8.36.0.45, a corporation’s share of qualified wages incurred in a fiscal period by a partnership is equal to the agreed proportion of the qualified wages in respect of the corporation for the fiscal period.”

**244.** Section 1029.8.36.0.47 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount of the assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period of the partnership.”

**245.** Section 1029.8.36.0.50 of the Act is amended by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph ii of paragraph *a*;

— subparagraphs i and ii of paragraph *b*.

**246.** Section 1029.8.36.0.51 of the Act is amended

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

“i. the aggregate referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.38 and determined with reference to section 1029.8.36.0.47, were reduced, for the particular fiscal period, by the product obtained by multiplying any amount of such assistance so repaid at or before the end of the fiscal period of repayment by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment, and”;

(2) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

- subparagraph ii of paragraph *a*;
- subparagraphs i and ii of paragraph *b*.

**247.** Section 1029.8.36.0.53 of the Act is amended by replacing subparagraph ii of paragraph *b* by the following paragraph:

“ii. the product obtained by multiplying the amount of the benefit or advantage that the corporation or a person with whom the corporation is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the corporation for the particular partnership’s particular fiscal period.”

**248.** Section 1029.8.36.0.63 of the Act is replaced by the following section:

**“1029.8.36.0.63.** For the purposes of sections 1029.8.36.0.61 and 1029.8.36.0.62, a corporation’s share of a qualified brokerage expenditure incurred in a fiscal period by a partnership is equal to the agreed proportion of the qualified brokerage expenditure in respect of the corporation for the fiscal period.”

**249.** Section 1029.8.36.0.64 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount of the assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period of the partnership.”

**250.** Section 1029.8.36.0.67 of the Act is amended by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were

the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

- subparagraph ii of paragraph *a*;
- subparagraphs i and ii of paragraph *b*.

**251.** Section 1029.8.36.0.68 of the Act is amended

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

“i. the aggregate referred to in subparagraph 2 of any of subparagraphs i to iii of paragraph *b* of the definition of “qualified brokerage expenditure” in the first paragraph of section 1029.8.36.0.55 and determined with reference to section 1029.8.36.0.64, were reduced, for the particular fiscal period, by the product obtained by multiplying any amount of such assistance so repaid at or before the end of the fiscal period of repayment by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment, and”;

(2) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

- subparagraph ii of paragraph *a*;
- subparagraphs i and ii of paragraph *b*.

**252.** Section 1029.8.36.0.70 of the Act is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. the product obtained by multiplying the amount of the benefit or advantage that the corporation or a person with whom the corporation is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the corporation for the particular partnership’s particular fiscal period.”

**253.** Section 1029.8.36.0.74 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a corporation’s share of the acquisition costs incurred or rental expenses paid by a partnership in a fiscal period is equal to the agreed proportion of the costs in respect of the corporation for that fiscal period.”

**254.** Section 1029.8.36.0.75 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the share, for a fiscal period of a partnership, of a corporation that is a member of that partnership of the aggregate of all amounts each of which is an amount of any government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the aggregate in respect of the corporation for that fiscal period.”

**255.** Section 1029.8.36.0.78 of the Act is amended by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph *ii* of paragraph *a*;

— subparagraphs *i* and *ii* of paragraph *b*.

**256.** Section 1029.8.36.0.79 of the Act is amended by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph *ii* of paragraph *a*;

— subparagraphs *i* and *ii* of paragraph *b*.

**257.** Section 1029.8.36.0.82 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the share, for a fiscal period of a partnership, of a corporation that is a member of that partnership of the amount of the benefit or advantage that the partnership or a person referred to in that subparagraph *i* has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for that fiscal period.”

**258.** Section 1029.8.36.6 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) a qualified corporation’s share of an expenditure incurred by a qualified partnership of which the qualified corporation is a member is equal to the agreed proportion of the expenditure in respect of the qualified corporation for the partnership’s fiscal period that ends in its taxation year.”

**259.** Section 1029.8.36.7.1 of the Act is amended by replacing subparagraph *c* of the third paragraph by the following subparagraph:

“(c) a qualified corporation’s share of wages incurred by a qualified partnership of which the qualified corporation is a member is equal to the agreed proportion of the wages in respect of the qualified corporation for the partnership’s fiscal period that ends in its taxation year.”

**260.** Section 1029.8.36.18 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraphs *c* and *d* of the first paragraph, the qualified corporation’s share of the amount of any contract payment, government assistance, non-government assistance or apparent payment that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period that ends in its taxation year.”

**261.** Section 1029.8.36.18.1 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the qualified corporation’s share of the amount of any contract payment, government assistance or non-government assistance that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period that ends in its taxation year.”

**262.** Section 1029.8.36.18.2 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the qualified corporation’s share of the amount of the benefit or advantage that a partnership or person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the qualified partnership’s fiscal period that ends in its taxation year.”



**263.** Section 1029.8.36.18.3 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the qualified corporation’s share of the amount of the benefit or advantage that a partnership or person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the qualified partnership’s fiscal period that ends in its taxation year.”

**264.** Section 1029.8.36.21 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**265.** Section 1029.8.36.22 of the Act is amended

(1) by replacing “the qualified corporation’s share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**266.** Section 1029.8.36.23.1 of the Act is amended

(1) by replacing “the qualified corporation’s share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph

by “the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**267.** Section 1029.8.36.23.2 of the Act is amended

(1) by replacing “the qualified corporation’s share of the income or loss of the qualified partnership for the particular fiscal period and the qualified partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**268.** Section 1029.8.36.53.10 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of this division, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for that fiscal period.”

**269.** Section 1029.8.36.53.18 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.”

**270.** Section 1029.8.36.53.19 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.”

**271.** Section 1029.8.36.54 of the Act is amended by replacing the definition of “eligible vessel” in the first paragraph by the following definition:

““eligible vessel” of a qualified corporation means a vessel constructed or converted in Québec by the corporation under a project in respect of which the Minister of Economic Development, Innovation and Export Trade has issued a qualification certificate, for the purposes of this division, attesting that the vessel will be a prototype vessel, or the first, second or third vessel constructed or converted, as the case may be, as part of a production run;”.

**272.** Section 1029.8.36.59.3 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of the property taxes for a fiscal period of a partnership of which the taxpayer is a member is equal to the agreed proportion of the property taxes in respect of the taxpayer for the fiscal period.”

**273.** Section 1029.8.36.59.4 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, a taxpayer’s share of an amount of government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

**274.** (1) Section 1029.8.36.59.12 of the Act is amended by replacing “section 57” in the definition of “annual forest management plan” by “section 59”.

(2) Subsection 1 has effect from 12 March 2003.

**275.** Section 1029.8.36.59.14 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a qualified corporation’s share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period.”

**276.** Section 1029.8.36.59.15 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, a qualified corporation’s share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period.”

**277.** Section 1029.8.36.59.17 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**278.** Section 1029.8.36.59.18 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**279.** Section 1029.8.36.59.20 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the share, for a fiscal period of a qualified partnership, of a qualified corporation that is a member of the qualified partnership of the amount of the benefit or advantage that the partnership, or a person referred to in that subparagraph *i*, has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the fiscal period.”

**280.** Section 1029.8.36.59.22 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) a qualified partnership is deemed to be a corporation whose taxation year corresponds to the partnership’s fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and”.

**281.** Section 1029.8.36.59.25 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a taxpayer’s share of an amount incurred by a partnership in a fiscal period is equal to the agreed proportion of the amount in respect of the taxpayer for the fiscal period.”

**282.** Section 1029.8.36.59.26 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount of the assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the taxpayer for that fiscal period of the partnership.”

**283.** Section 1029.8.36.59.28 of the Act is amended by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” wherever it appears by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”.

**284.** Section 1029.8.36.59.29 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of

repayment” in the following provisions by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraphs *a* and *b* of the first paragraph;

— subparagraph *b* of the second paragraph;

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

“(a) the aggregate referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.59.21 and determined with reference to section 1029.8.36.59.26, were reduced, for the particular fiscal period, by the product obtained by multiplying any amount of such assistance so repaid at or before the end of the fiscal period of repayment by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment; and”.

**285.** Section 1029.8.36.59.31 of the Act is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. the product obtained by multiplying the amount of the benefit or advantage that the eligible taxpayer or a person with whom the eligible taxpayer is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the eligible taxpayer for the particular fiscal period.”

**286.** (1) Section 1029.8.36.72.82.1 of the Act is amended

(1) by replacing the definition of “eligibility period” in the first paragraph by the following definition:

““eligibility period” of a corporation means, subject to the third and sixth paragraphs, the period that begins on 1 January of the first calendar year referred to in the first unrevoked qualification certificate issued to the corporation or deemed obtained by it, in relation to a recognized business, for the purposes of this division or any of Divisions II.6.6.2, II.6.6.4 and II.6.6.6, and that ends on 31 December 2010;”;

(2) by replacing the definition of “base period” in the first paragraph by the following definition:

““base period” of a corporation means, subject to the fourth and sixth paragraphs, the calendar year preceding the calendar year in which the corporation’s eligibility period begins;”;

(3) by inserting the following paragraph after paragraph *a* of the definition of “eligible region” in the first paragraph:

“(a.1) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are manufacturing or processing activities, other than those referred to in any of paragraphs *a* and *b* to *d*, included in the group described under code 31, 32 or 33 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada, or activities related to such manufacturing or processing activities, the administrative region referred to in subparagraph iii of paragraph *b* and described in the Order in Council, as amended, referred to in that paragraph *b*”;

(4) by replacing the definition of “designated region” in the first paragraph by the following definition:

““designated region” of a corporation means, subject to the sixth paragraph, the Saguenay–Lac-Saint-Jean region, the eligible region or the resource region where it carries on a recognized business;”;

(5) by adding the following paragraphs after paragraph *l.1* of the definition of “eligible repayment of assistance” in the first paragraph:

“(m) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

“(n) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the corporation to an

employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

“(o) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.82.4 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the particular amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.82.4 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.4 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;”;



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

“If Investissement Québec does not issue in the eligibility period of a corporation, in relation to a particular calendar year, a qualification certificate in respect of a recognized business, because of a major unforeseen event affecting the corporation, any qualification certificate issued to the corporation, in relation to the recognized business, in respect of a calendar year preceding the particular calendar year, for the purposes of this division or of any of Divisions II.6.6.2, II.6.6.4 and II.6.6.6, is, for the purpose of determining the eligibility period of the corporation from the calendar year in respect of which a new qualification certificate is issued in respect of the recognized business, deemed cancelled, unless the new qualification certificate certifies that the corporation has resumed carrying on the recognized business in a municipality more than 40 kilometres away from the municipality in which the recognized business was carried on before the major unforeseen event occurred.”;

(7) by adding the following paragraph after the fifth paragraph:

“For the purposes of this division and for the purpose of determining the amount that a qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, the following rules apply:

(a) the definition of “eligibility period” in the first paragraph is to be read as if “31 December 2010” was replaced by “31 December 2015”;

(b) if the qualified corporation carried on a recognized business before 1 April 2008, the definition of “base period” in the first paragraph is to be read as if “the calendar year preceding the calendar year in which the corporation’s eligibility period begins” was replaced by

i. “the calendar year preceding the calendar year in respect of which the election described in section 1029.8.36.72.82.3.1 is made for the first time by the corporation”, if the qualified corporation has made an election under section 1029.8.36.72.82.3.1 for a taxation year in which any of the calendar years 2008 to 2010 ends, and

ii. “the calendar year 2010”, if the qualified corporation has not made an election under section 1029.8.36.72.82.3.1 for a taxation year in which any of the calendar years 2008 to 2010 ends; and

(c) the definition of “designated region” in the first paragraph is to be read as follows:

““designated region” of a corporation means the Saguenay–Lac-Saint-Jean region or the eligible region where it carries on a recognized business;”.

(2) Subsection 1 has effect from 1 January 2008.

**287.** (1) The Act is amended by inserting the following sections after section 1029.8.36.72.82.3:

**“1029.8.36.72.82.3.1.** No corporation may be deemed to have paid an amount to the Minister in accordance with section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 for a taxation year in which any of the calendar years 2007 to 2010 ends if the corporation has elected irrevocably to avail itself of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or Division II.6.14.2 for the year or a preceding taxation year.

A corporation that has not already made the election described in the first paragraph and that is not required to make that election for a taxation year in the manner described in the third paragraph shall make the election for the year by filing with the Minister the prescribed form containing prescribed information on or before the corporation’s filing-due date for the year.

A particular corporation that is associated, in a taxation year, with one or more other corporations (in this paragraph together referred to as the “group of associated corporations”) for the year, at least one of which, other than the particular corporation, has not made an election under the second paragraph or this paragraph for a preceding taxation year and at least one of which, other than the particular corporation, is described in the fourth paragraph for the year, shall make the election described in the first paragraph for the year by filing with the Minister, jointly with the other corporations that are members of the group of associated corporations, the prescribed form containing prescribed information on or before the earliest of the filing-due dates of the corporations that are members of the group for the year.

A corporation to which the third paragraph refers for a taxation year is

(a) a corporation that carried on a recognized business before 1 April 2008; or

(b) a corporation that, for the purposes of Division II.6.14.2, is a qualified corporation for the year that has acquired qualified property or that is a member of a qualified partnership that has acquired such property.

**“1029.8.36.72.82.3.2.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation’s eligibility period and that encloses the documents described in the fifth paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the second and third paragraphs, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is the year 2008 or a subsequent year, to 20% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, within its base period, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount; and

(b) the qualified corporation's eligible repayment of assistance for the taxation year, except the portion of the repayment that may reasonably be attributed to an amount referred to in any of paragraphs *g* to *i* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.1 or any of paragraphs *j*, *k* and *l* of that definition to the extent that the assistance relates to the carrying on of a recognized business in a resource region.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the taxation year in which the first calendar year within the qualified corporation's eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

The first paragraph applies, for a taxation year, to a particular corporation that carried on a recognized business before 1 April 2008 or that is associated in the year with one or more other corporations (in this paragraph together referred to as the “group of associated corporations”) for the year, of which, in addition to the particular corporation, a corporation described in the fourth paragraph for the year is a member for the year, only if the particular corporation or the corporations that are members of the group of associated corporations for the year have elected to avail themselves of this section, section 1029.8.36.72.82.3.3 or Division II.6.14.2 for the year or a preceding taxation year, in accordance with section 1029.8.36.72.82.3.1.

A corporation to which the third paragraph refers for a taxation year is

(a) a corporation that carried on a recognized business before 1 April 2008; or

(b) a corporation that, for the purposes of Division II.6.14.2, is a qualified corporation for the year that has acquired qualified property or that is a member of a qualified partnership that has acquired such property.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information; and

(b) a copy of all unrevoked certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business that it carries on and its eligible employees.

**“1029.8.36.72.82.3.3.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation’s eligibility period and that encloses the documents described in the sixth paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third and fourth paragraphs, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is the year 2008 or a subsequent year, to 20% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, within its base period, for which the employee is an eligible employee,

ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

(1) the qualified corporation's base amount, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation's base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount; and

(b) the qualified corporation's eligible repayment of assistance for the taxation year, except the portion of the repayment that may reasonably be attributed to an amount referred to in any of paragraphs *g* to *i* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.1 or in any of paragraphs *j*, *k* and *l* of that definition to the extent that the assistance relates to the carrying on of a recognized business in a resource region.

If the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the taxation year in which the calendar

year ends, the amount determined under subparagraph *a* of the first paragraph, in respect of the calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.4.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the taxation year in which the first calendar year within the qualified corporation's eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

The first paragraph applies, for a taxation year, to a particular corporation that carried on a recognized business before 1 April 2008 or that is associated in the year with one or more other corporations (in this paragraph together referred to as the "group of associated corporations") for the year, of which, in addition to the particular corporation, a corporation described in the fifth paragraph for the year is a member for the year, only if the particular corporation or the corporations that are members of the group of associated corporations for the year have elected to avail themselves of this section, section 1029.8.36.72.82.3.2 or Division II.6.14.2 for the year or a preceding taxation year, in accordance with section 1029.8.36.72.82.3.1.

A corporation to which the fourth paragraph refers for a taxation year is

(a) a corporation that carried on a recognized business before 1 April 2008; or

(b) a corporation that, for the purposes of Division II.6.14.2, is a qualified corporation for the year that has acquired qualified property or that is a member of a qualified partnership that has acquired such property.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information;

(b) a copy of all unrevoked certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees; and

(c) if the second paragraph applies, the agreement referred to in section 1029.8.36.72.82.4 filed in prescribed form.”

(2) Subsection 1 has effect from 1 January 2008.

**288.** (1) Section 1029.8.36.72.82.4 of the Act is amended by replacing “refers” in the portion of the first paragraph before subparagraph *a* by “and the second paragraph of section 1029.8.36.72.82.3.3 refer”.

(2) Subsection 1 has effect from 1 January 2008.

**289.** (1) Section 1029.8.36.72.82.5 of the Act is replaced by the following section:

**“1029.8.36.72.82.5.** If the aggregate of the amounts attributed, in respect of a calendar year, in an agreement referred to in subparagraph *a* or *b* of the second paragraph of section 1029.8.36.72.82.3 or in the second paragraph of section 1029.8.36.72.82.3.3 and entered into with the qualified corporations that are carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the least of the amounts determined for that calendar year in respect of those corporations under any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.82.4 or under any of paragraphs *a* to *c* of section 1029.8.36.72.82.4.1, as the case may be, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, as the case may be, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.”

(2) Subsection 1 has effect from 1 January 2008. In addition, when section 1029.8.36.72.82.5 of the Act has effect after 31 December 2003 and before 1 January 2008, it is to be read as if “first paragraph of section 1029.8.36.72.82.3” was replaced by “second paragraph of section 1029.8.36.72.82.3”.

**290.** (1) Section 1029.8.36.72.82.6 of the Act is amended

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

**“1029.8.36.72.82.6.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, the following rules apply, subject to the second and third paragraphs:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, in subparagraph i of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 or in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 and paid by the qualified corporation, and the amount of the salaries or wages referred to in subparagraph ii of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.3 or in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 and paid by a corporation associated with the qualified corporation are to be reduced, if applicable;”;

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

“The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a pay period within the qualified corporation’s base period, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, in relation to the qualified corporation, for a calendar year ending in a taxation year, may not exceed the aggregate of the amounts referred to in that first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be, in respect of a pay period within the calendar year, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as the case may be, in relation to the qualified corporation, for that calendar year.”

(2) Subsection 1 has effect from 1 January 2008.

**291.** Section 1029.8.36.72.82.6.1 of the Act, enacted by section 445 of chapter 5 of the statutes of 2009, is amended

(1) by replacing “or 2009” in the portion before paragraph *a* by “, 2009 or 2010”;

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

“(c) 94% of that amount if the calendar year is the year 2010”.



**292.** (1) Section 1029.8.36.72.82.7 of the Act is amended by replacing subparagraph i of paragraph *a* by the following subparagraph:

“i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* or *a.1* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 or under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, or”.

(2) Subsection 1 has effect from 1 January 2008.

**293.** (1) Section 1029.8.36.72.82.10 of the Act, amended by section 446 of chapter 5 of the statutes of 2009, is again amended, in the first paragraph,

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

“i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula”;

(2) by replacing “of section 1029.8.36.72.82.2, subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph i.1 of subparagraph *a* by “of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3”;

(3) by replacing the portion of subparagraph i of subparagraph *b* before the formula by the following:

“i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula”;

(4) by replacing “section 1029.8.36.72.82.2, subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph i of subparagraph *c* by “section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3”;

(5) by replacing “section 1029.8.36.72.82.2, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph ii of subparagraph *c* by “section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3”;

(6) by replacing the portion of subparagraph i of subparagraph *d* before subparagraph 1 by the following:

“i. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, to have paid to the employees referred to in that provision”.

(2) Subsection 1 has effect from 1 January 2008.

**294.** (1) Section 1029.8.36.72.82.10.1 of the Act, amended by section 447 of chapter 5 of the statutes of 2009, is again amended, in the first paragraph,

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

“i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula”;

(2) by replacing “of section 1029.8.36.72.82.2, subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph ii of subparagraph *a* by “of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3”;

(3) by replacing the portion of subparagraph iii of subparagraph *a* before the formula by the following:

“iii. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula”;

(4) by replacing “of section 1029.8.36.72.82.2, subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph iv of subparagraph *a* by “of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3”;

(5) by replacing the portion of subparagraph i of subparagraph *b* before the formula by the following:

“i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula”;

(6) by replacing the portion of subparagraph iii of subparagraph *b* before the formula by the following:

“iii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4 before subparagraph i, as the case may be, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph iii exceeds the amount determined by the formula”;

(7) by replacing the portion of subparagraph i of subparagraph *c* before the formula by the following:

“i. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees, in respect of a pay period, within the purchaser’s base period, for which the employees are eligible employees, the amount determined by the formula”;

(8) by replacing “section 1029.8.36.72.82.2, subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph ii of subparagraph *c* by “section 1029.8.36.72.82.2 or 1029.8.36.72.82.3”;

(9) by replacing the portion of subparagraph iii of subparagraph *c* before the formula by the following:

“iii. to have paid, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees in respect of a pay period, within the particular calendar year, for which the employees are eligible employees, the amount determined by the formula”;

(10) by replacing “section 1029.8.36.72.82.2, subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3” in subparagraph iv of subparagraph *c* by “section 1029.8.36.72.82.2 or 1029.8.36.72.82.3”;

(11) by replacing the portion of subparagraph i of subparagraph *d* before subparagraph 1 by the following:

“i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, determined in respect of the purchaser, is deemed to be equal to the aggregate of”;

(12) by replacing the portion of subparagraph iii of subparagraph *d* before subparagraph 1 by the following:

“iii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4 before subparagraph i, as the case may be, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of”.

(2) Subsection 1 has effect from 1 January 2008.

**295.** Section 1029.8.36.72.82.10.2 of the Act, amended by section 448 of chapter 5 of the statutes of 2009, is again amended by replacing paragraph *b* by the following paragraph:

“(b) if the vendor or purchaser is a partnership, the vendor or purchaser is deemed to be a corporation whose taxation year corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and”.

**296.** (1) Section 1029.8.36.72.82.13 of the Act is amended

(1) by replacing the definition of “eligibility period” in the first paragraph by the following definition:

““eligibility period” of a corporation means, subject to the third and fourth paragraphs, the period that begins on 1 January of the first calendar year referred to in the first unrevoked qualification certificate issued to the corporation or deemed obtained by it, in relation to a recognized business, for the purposes of this division, and that ends on 31 December 2015;”;

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

“If Investissement Québec does not issue in the eligibility period of a corporation, in relation to a particular calendar year, a qualification certificate in respect of a recognized business, because of a major unforeseen event affecting the corporation, any qualification certificate issued to the corporation, in relation to the recognized business, in respect of a calendar year preceding the particular calendar year, for the purposes of this division, is, for the purpose of determining the eligibility period of the corporation from the calendar year in respect of which a new qualification certificate is issued in respect of the recognized business, deemed cancelled, unless the new qualification certificate certifies that the corporation has resumed carrying on the recognized business in a municipality more than 40 kilometres away from the municipality in which the recognized business was carried on before the major unforeseen event occurred.”

(2) Subsection 1 has effect from 1 January 2008.

**297.** Section 1029.8.36.72.82.24 of the Act, amended by section 451 of chapter 5 of the statutes of 2009, is again amended by replacing paragraph *b* by the following paragraph:

“(b) if the vendor or purchaser is a partnership, the vendor or purchaser is deemed to be a corporation whose taxation year corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and”.

**298.** Section 1029.8.36.72.92.2 of the Act, enacted by section 454 of chapter 5 of the statutes of 2009, is amended by replacing paragraph *b* by the following paragraph:

“(b) if the vendor or purchaser is a partnership, the vendor or purchaser is deemed to be a corporation whose taxation year corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and”.

**299.** Section 1029.8.36.119 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount of the assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the taxpayer for that fiscal period of the partnership.”

**300.** Section 1029.8.36.120 of the Act is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. the product obtained by multiplying the amount of the benefit or advantage that the taxpayer or a person with whom the taxpayer is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the taxpayer for the particular fiscal period.”

**301.** Section 1029.8.36.122 of the Act is amended by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph *b* of the first paragraph;

— subparagraphs *a* and *b* of the second paragraph.

**302.** Section 1029.8.36.123 of the Act is amended

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

“(a) the aggregate of the amounts referred to in subparagraph ii of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.115 and determined with reference to section 1029.8.36.119, were reduced, for the particular fiscal period, by the product obtained by multiplying every amount of the assistance so repaid at or before the end of the fiscal period of repayment by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment; and”;

(2) by replacing “the taxpayer’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions by “the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment”:

— subparagraph *b* of the first paragraph;

— subparagraphs *a* and *b* of the second paragraph.

**303.** (1) The Act is amended by inserting the following after section 1029.8.36.166.39:

**“DIVISION II.6.14.2**

**“CREDIT FOR INVESTMENTS RELATING TO MANUFACTURING AND PROCESSING EQUIPMENT**

**“§1. — *Interpretation and general***

**“1029.8.36.166.40.** In this division,

“aluminum producing corporation” for a taxation year means a corporation that, at any time in the year after 13 March 2008, carries on an aluminum producing business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust with which the corporation is associated;

“associated group” in a taxation year has the meaning assigned by section 1029.8.36.166.41;

“eligible expenses” of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of a qualified property, means

(a) for a corporation, the aggregate of the following expenses, except expenses incurred with a person with whom the corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation, is not dealing at arm’s length:

i. the amount by which the expenses incurred by the corporation in the particular taxation year or a preceding taxation year to acquire the qualified property that are included, at the end of that year, in the capital cost of the property and that are paid on or before the day that is 18 months after the end of the taxation year in which they were incurred, exceeds the portion of those expenses that was taken into account for the purpose of determining the amount of the corporation’s eligible expenses in respect of which the corporation would be deemed to have paid an amount to the Minister under section 1029.8.36.166.43 for a taxation year preceding the particular year if that section were read without reference to its second paragraph, and

ii. the expenses incurred by the corporation to acquire the qualified property that are included in the capital cost of the property and that are paid in the particular taxation year, if the expenses are paid more than 18 months after the end of the taxation year in which they were incurred; and

(b) for a partnership, the aggregate of the following expenses, except expenses incurred with a corporation that is a member of the partnership or with a person with whom such a corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation, is not dealing at arm's length:

i. the amount by which the expenses incurred by the partnership in the particular fiscal period or a preceding fiscal period to acquire the qualified property that are included, at the end of that fiscal period, in the capital cost of the property and that are paid on or before the day that is 18 months after the end of the fiscal period in which they were incurred, exceeds the portion of those expenses that was taken into account for the purpose of determining the amount of the partnership's eligible expenses in respect of which a corporation that is a member of the partnership would be deemed to have paid an amount to the Minister under section 1029.8.36.166.44 for a taxation year preceding that in which the particular fiscal period ends if that section were read without reference to its second paragraph, and

ii. the expenses incurred by the partnership to acquire the qualified property that are included in the capital cost of the property and that are paid in the particular fiscal period, if the expenses are paid more than 18 months after the end of the fiscal period in which they were incurred;

“excluded corporation” for a taxation year means

(a) a corporation that is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1;

(b) a corporation that would be exempt from tax for the year under section 985, but for section 192;

(c) an aluminum producing corporation for the year;

(d) an oil refining corporation for the year; or

(e) a corporation that was carrying on a recognized business, for the purposes of Division II.6.6.6.1, before 1 April 2008 and that has not made an election under section 1029.8.36.72.82.3.1 for the year or a preceding taxation year, or that is associated with such a corporation in the year;

“excluded partnership” for a fiscal period means a partnership that, at any time in the fiscal period after 13 March 2008, carries on an aluminum producing business or an oil refining business;

“limit relating to an unused portion” in respect of a corporation for a taxation year means the aggregate of its total taxes for the year and of the amount determined for the year in its respect under the second paragraph of section 1029.8.36.166.42;



“major investment project” has the meaning assigned by the first paragraph of section 737.18.14;

“maximum tax credit amount” of a corporation for a taxation year means the aggregate of the amount by which its total taxes for the year exceed the amount it is deemed to have paid to the Minister for the year under section 1029.8.36.166.46, and of the amount determined for the year in its respect under the first paragraph of section 1029.8.36.166.42;

“oil refining corporation” for a taxation year means a corporation that, at any time in the year after 13 March 2008, carries on an oil refining business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust with which the corporation is associated;

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation for the year, that, in the year, carries on a business in Québec and has an establishment in Québec;

“qualified partnership” for a fiscal period means a partnership, other than an excluded partnership for the fiscal period, that, in the fiscal period, carries on a business in Québec and has an establishment in Québec;

“qualified property” of a corporation or partnership means a prescribed property that is acquired by the corporation or partnership and that

(a) is acquired after 13 March 2008 and before 1 January 2016, but is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008;

(b) begins to be used within a reasonable time after being acquired;

(c) is used solely in Québec and mainly in the course of carrying on a business, other than a recognized business in connection with which a major investment project is carried out or is in the process of being carried out; and

(d) was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever;

“recognized business” has the meaning assigned by the first paragraph of section 737.18.14;

“resource region” means

(a) one of the following administrative regions described in Order in Council 2000-87 (1988, G.O. 2, 120, in French only) concerning the revision of the boundaries of the administrative regions of Québec, as amended:

- i. administrative region 01 Bas-Saint-Laurent,
  - ii. administrative region 02 Saguenay–Lac-Saint-Jean,
  - iii. administrative region 04 Mauricie,
  - iv. administrative region 08 Abitibi-Témiscamingue,
  - v. administrative region 09 Côte-Nord,
  - vi. administrative region 10 Nord-du-Québec, or
  - vii. administrative region 11 Gaspésie–Îles-de-la-Madeleine; or
- (b) one of the following regional county municipalities:

- i. Municipalité régionale de comté d'Antoine-Labelle,
- ii. Municipalité régionale de comté de La Vallée-de-la-Gatineau, or
- iii. Municipalité régionale de comté de Pontiac;

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative;

“total taxes” of a corporation for a taxation year means the aggregate of its tax payable under this Part for the year and of its tax payable under Parts IV, IV.1, VI and VI.1 for the year;

“unused portion of the tax credit” of a corporation for a taxation year means the amount by which the total amount that the corporation would be deemed to have paid to the Minister for that year under the first paragraph of sections 1029.8.36.166.43 and 1029.8.36.166.44 if no reference were made to the second paragraph of those sections, exceeds the corporation’s maximum tax credit amount for the year.

For the purposes of the definition of “eligible expenses” in the first paragraph, the expenses that are included, at the end of a taxation year or fiscal period, in the capital cost of a property do not include the expenses so included under section 180 or 182.

For the purposes of the definitions of “aluminum producing corporation” and “oil refining corporation” in the first paragraph, the rules set out in subparagraphs *b* and *c* of the second paragraph of section 1029.8.36.166.41 apply for the purpose of determining whether a corporation is associated with a partnership or trust at any time.

**“1029.8.36.166.41.** An associated group, in a taxation year, means all the corporations that are associated with each other at any given time in the year.

For the purposes of the first paragraph, the following rules apply:

(a) a business carried on by an individual, other than a trust, is deemed to be carried on by a corporation all the voting shares in the capital stock of which are owned at the given time by the individual;

(b) a partnership is deemed to be a corporation whose taxation year corresponds to the partnership’s fiscal period and all the voting shares in the capital stock of which are owned at the given time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes that time; and

(c) a trust is deemed to be a corporation all the voting shares in the capital stock of which

i. in the case of a testamentary trust under which one or more beneficiaries are entitled to receive all of the income of the trust that arose before the date of death of one or the last surviving of those beneficiaries (in this subparagraph *c* referred to as the “distribution date”) and under which no other person can, before the distribution date, receive or otherwise obtain the enjoyment of any of the income or capital of the trust,

(1) if such a beneficiary’s share of the income or capital of the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, and if the given time occurs before the distribution date, are owned at that time by the beneficiary, or

(2) if subparagraph 1 does not apply and the given time occurs before the distribution date, are owned at that time by such a beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of the beneficial interests in the trust of all the beneficiaries,

ii. if a beneficiary’s share of the accumulating income or capital of the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, are owned at the given time by the beneficiary, unless subparagraph *i* applies and that time occurs before the distribution date,

iii. in any case where subparagraph *ii* does not apply, are owned at the given time by the beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of all beneficial interests in the trust, unless subparagraph *i* applies and that time occurs before the distribution date, and

iv. in the case of a trust referred to in section 467, are owned at the given time by the person referred to in that section from whom property of the trust or property for which property of the trust was substituted was directly or indirectly received.

**“1029.8.36.166.42.** The amount to which the definition of “maximum tax credit amount” in the first paragraph of section 1029.8.36.166.40 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the total amount that the corporation would be deemed to have paid to the Minister for the taxation year under the first paragraph of sections 1029.8.36.166.43 and 1029.8.36.166.44 if no reference were made to the second paragraph of those sections, exceeds the amount by which the corporation’s total taxes for the year exceed the amount the corporation is deemed to have paid to the Minister for the year under section 1029.8.36.166.46.

The amount to which the definition of “limit relating to an unused portion” in the first paragraph of section 1029.8.36.166.40 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the corporation’s total taxes for the year are exceeded by the aggregate of all amounts each of which is an excess amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.166.46 in respect of an original year, within the meaning of that subparagraph, in relation to the taxation year.

The formula to which the first and second paragraphs refer is the following:

$$1 - [(A - \$250,000,000)/\$250,000,000].$$

In the formula in the third paragraph, A is the greater of

(a) \$250,000,000; and

(b) the lesser of \$500,000,000 and the paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24.

“§2. — *Credits*

**“1029.8.36.166.43.** A qualified corporation for a taxation year that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the third paragraph, to have paid to the Minister on the corporation’s balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying the amount of its eligible expenses for the year, in respect of a qualified property, by the rate determined in respect of the property for the year under section 1029.8.36.166.45.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.44 must not exceed the corporation's maximum tax credit amount for the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.36.166.44.** A qualified corporation for a taxation year that is a member of a qualified partnership at the end of a particular fiscal period of the partnership that ends in the year, and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its share of the partnership's eligible expenses for the particular fiscal period, in respect of a qualified property, by the rate determined in respect of the property for the year under section 1029.8.36.166.45.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.43 must not exceed the corporation's maximum tax credit amount for the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

For the purposes of the first paragraph, a qualified corporation's share of the eligible expenses incurred by a qualified partnership in a fiscal period is equal to the agreed proportion of the expenses in respect of the qualified corporation for the fiscal period.

**“1029.8.36.166.45.** The rate to which section 1029.8.36.166.43 or 1029.8.36.166.44 refers, in respect of a qualified property, for a taxation year is

(a) if the qualified property is acquired to be used mainly in an administrative region referred to in any of subparagraphs iv to vii of paragraph *a* of the definition of “resource region” in the first paragraph of section 1029.8.36.166.40, the rate determined by the formula

$$40\% - [35\% \times (A - \$250,000,000)/\$250,000,000];$$

(b) if the qualified property is acquired to be used mainly in the administrative region referred to in subparagraph i of paragraph *a* of the definition of “resource region” in the first paragraph of section 1029.8.36.166.40, the rate determined by the formula

$$30\% - [25\% \times (A - \$250,000,000)/\$250,000,000];$$

(c) if the qualified property is acquired to be used mainly in an administrative region referred to in subparagraph ii or iii of paragraph *a* of the definition of “resource region” in the first paragraph of section 1029.8.36.166.40 or in any of the regional county municipalities referred to in paragraph *b* of that definition, the rate determined by the formula

$$20\% - [15\% \times (A - \$250,000,000)/\$250,000,000]; \text{ and}$$

(d) in any other case, 5%.

In the formulas in the first paragraph, A is the greater of

(a) \$250,000,000; and

(b) the lesser of \$500,000,000 and the paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24.

**“1029.8.36.166.46.** Subject to section 1029.8.36.166.49, a corporation that encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a particular taxation year, is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for the particular year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of all amounts each of which is the lesser of

(a) the amount by which the unused portion of the tax credit of the corporation for a taxation year (in subparagraph *b* referred to as the “original year”) that is any of the 20 taxation years that precede the particular year, exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section or section 1029.8.36.166.47, in respect of the unused portion of the tax credit, on account of its tax payable for a taxation year preceding the particular year; and

(b) the amount by which the corporation’s limit relating to an unused portion for the particular year exceeds the aggregate of all amounts each of which is equal to the amount deemed to be paid by the corporation under this section, for the particular year, in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the original year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027 or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.36.166.47.** Subject to section 1029.8.36.166.50, a corporation is deemed, for a particular taxation year ending after 13 March 2008, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a taxation year (in this section referred to as the “subsequent year”) that is any of the three taxation years that follow the particular year, to have paid to the Minister, in

relation to the unused portion of the tax credit of the corporation for the subsequent year, on the day on which the form is filed with the Minister, an amount equal to the lesser of

(a) the amount by which the unused portion of the tax credit of the corporation for the subsequent year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section, in respect of the unused portion, for a taxation year preceding the particular year; and

(b) the amount by which its total taxes for the particular year exceed the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for the particular year under any of sections 1029.8.36.166.43, 1029.8.36.166.44 and 1029.8.36.166.46, or under this section in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the subsequent year.

**“1029.8.36.166.48.** No amount may be deemed to have been paid to the Minister by a qualified corporation for a taxation year under section 1029.8.36.166.43 or 1029.8.36.166.44, in relation to its eligible expenses or its share of a partnership’s eligible expenses, as the case may be, in respect of a qualified property, if, at any time before the day after the day that is the end of the period of 730 days following the beginning of the use of the property by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1) applies, or, if it precedes the day that is the end of that period, the corporation’s filing-due date for that taxation year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property; or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

**“1029.8.36.166.49.** If, at any time, control of a corporation is acquired by a person or group of persons, no amount may, for a taxation year ending after that time, be deemed, under section 1029.8.36.166.46, to have been paid to the Minister by the corporation in respect of the unused portion of the tax credit of the corporation for a taxation year ending before that time.

However, subject to section 1029.8.36.166.48, the corporation may be deemed to have paid an amount to the Minister, for a particular taxation year ending after that time, in respect of the portion of an unused portion of the



tax credit for a taxation year ending before that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.46 in respect of the portion referred to in the second paragraph must be determined as if the reference to the total taxes determined for the purpose of establishing, for the particular year, the corporation's limit relating to an unused portion referred to in subparagraph *b* of the first paragraph of that section were a reference to the portion of such total taxes of the corporation for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

**“1029.8.36.166.50.** If, at any time, control of a corporation is acquired by a person or group of persons, no amount may, for a taxation year ending before that time, be deemed, under section 1029.8.36.166.47, to have been paid to the Minister by the corporation in respect of the unused portion of the tax credit of the corporation for a taxation year ending after that time.

However, the corporation may be deemed to have paid an amount to the Minister, for a particular taxation year ending before that time, in respect of the portion of an unused portion of the tax credit for a taxation year ending after that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout the taxation year and in the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.47 in respect of the portion referred to in the second paragraph must be determined as if the reference to the total taxes in that section were a reference to the portion of the total taxes of the corporation for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

**“1029.8.36.166.51.** For the purposes of this division, a corporation or partnership deemed to have acquired a property at a particular time under paragraph *b* of section 125.1 is deemed to have acquired the property at that time at a cost of acquisition, incurred and paid at that time, equal to the fair

market value of the property at that time, and to own the property from that time to the time at which it is deemed to dispose of the property under paragraph *f* of section 125.1.

“§3. — *Government assistance, non-government assistance and other particulars*

“**1029.8.36.166.52.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.166.43 or 1029.8.36.166.44, the following rules apply:

(a) the amount of the eligible expenses referred to in the first paragraph of section 1029.8.36.166.43 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation’s filing-due date for the taxation year;

(b) the corporation’s share of the eligible expenses of a partnership, referred to in the first paragraph of section 1029.8.36.166.44, for a fiscal period of the partnership that ends in the corporation’s taxation year, is to be reduced, if applicable,

i. by the corporation’s share of the amount of any government assistance or non-government assistance attributable to the expenses that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance attributable to the expenses that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the corporation’s share, for the partnership’s fiscal period, of the amount of any government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

“**1029.8.36.166.53.** For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.46 for a particular taxation year in respect of the unused portion of the tax credit of the corporation for a particular preceding taxation year, in relation to eligible expenses of the corporation or of a partnership of which it is a member at the end of the fiscal period of the partnership ending in the particular preceding year, the unused portion of the tax credit of the corporation, otherwise determined, is to be reduced by the amount determined under the second paragraph if

(a) in the particular year or a preceding taxation year, an amount relating to the eligible expenses of the corporation, other than an amount reducing those expenses in accordance with section 1029.8.36.166.52 or 1029.8.36.166.60, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) in a fiscal period of the partnership ending in the particular year or in a preceding taxation year and at the end of which the corporation is a member of the partnership, an amount relating to the eligible expenses of the partnership, other than an amount reducing those expenses in accordance with section 1029.8.36.166.52 or 1029.8.36.166.60, is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The amount to which the first paragraph refers is equal to the amount by which the unused portion of the tax credit of the corporation for the particular preceding year, otherwise determined, exceeds the amount that would be the amount of the unused portion of the tax credit of the corporation if

(a) any amount referred to in subparagraph *a* or *b* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation were directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation in the particular preceding year; and

(b) any amount referred to in subparagraph *b* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership were directly or indirectly, refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership in the fiscal period of the partnership ending in the particular preceding year.

If, in respect of the eligible expenses referred to in the first paragraph, a person other than the corporation, or a partnership other than the partnership of which the corporation is a member, has obtained, at a particular time, a benefit or advantage that would have reduced those expenses in accordance with section 1029.8.36.166.60 if the person or partnership had obtained it, had been entitled to obtain it or could reasonably have expected to obtain it on or before the corporation's filing-due date for the particular preceding taxation year, or on or before the day that is six months after the end of the fiscal period of the partnership of which the corporation is a member that ended in the particular preceding taxation year, the benefit or advantage is, for the purposes of the first and second paragraphs,

(a) if those expenses were incurred by the corporation, deemed to be an amount that is paid to the corporation at that time; or

(b) if those expenses were incurred by the partnership of which the corporation is a member, deemed to be

- i. an amount that is paid to that partnership at that time, when that benefit or advantage has been obtained by another partnership or by a person other than the person referred to in subparagraph ii, or
- ii. an amount that is paid to the corporation at that time, when that benefit or advantage has been obtained by a person with whom the corporation does not deal at arm's length.

**“1029.8.36.166.54.** For the purpose of applying section 1029.8.36.166.53 to a corporation for a taxation year, if a qualified property in respect of which expenses, incurred by the corporation or a partnership, are eligible expenses of the corporation for a particular preceding taxation year or of the partnership for a fiscal period of the partnership that ends in the particular preceding year and at the end of which the corporation was a member of the partnership, ceases, at a particular time of the period described in the second paragraph, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on in the following manner, the eligible expenses are deemed to be repaid to the corporation or partnership, as the case may be, at that time:

(a) by the first purchaser of the property and that time is also in the portion of that period in which the first purchaser owns the property; or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1) applies, and that time is also in the portion of that period in which the subsequent purchaser owns the property.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and that ends 730 days after the particular day or—if it precedes the day that is 730 days after the particular day—on the corporation's filing-due date for the taxation year that includes the particular time or for the corporation's taxation year in which the partnership's fiscal period that includes the particular time ends, as the case may be.

This section does not apply to a corporation for a taxation year, in relation to eligible expenses in respect of a qualified property of the corporation for a particular preceding taxation year or of a partnership of which the corporation is a member for a fiscal period that ends in the particular preceding taxation year, if section 1029.8.36.166.48 applied, in relation to the eligible expenses, for the particular preceding taxation year.

**“1029.8.36.166.55.** If a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *a* of the first paragraph of section 1029.8.36.166.52, the eligible expenses of the corporation in respect of a qualified property, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.166.43 in respect of the expenses, for a particular taxation year, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that it would be deemed to have paid to the Minister, in respect of the expenses, under section 1029.8.36.166.43 for the particular year, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the repayment year, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.166.52, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, in respect of the expenses, under section 1029.8.36.166.43 for the particular year, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the repayment year; and

(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

**“1029.8.36.166.56.** If a partnership pays, in a fiscal period (in this section referred to as the “fiscal period of repayment”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.166.52, a corporation’s share of the eligible expenses of the partnership in respect of a qualified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.44, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year

under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.166.44 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of the eligible expenses of the partnership in respect of the property, under section 1029.8.36.166.44 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.166.52; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.36.166.57.** If a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph b of the first paragraph of section 1029.8.36.166.52, its share of the eligible expenses of the partnership in respect of a qualified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.44, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period

of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.166.44 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of the share, under section 1029.8.36.166.44 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.46 or 1029.8.36.166.47 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment, and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.166.52; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**“1029.8.36.166.58.** For the purposes of sections 1029.8.36.166.55 to 1029.8.36.166.57, an amount of assistance is deemed to be repaid, at a particular time, by a corporation or partnership pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.166.52, eligible expenses or the share of such expenses of a corporation that is a member of the partnership, for the purpose of computing the amount that the corporation or the partnership that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.43 or 1029.8.36.166.44;

(b) was not received by the corporation or partnership; and

(c) ceased at the particular time to be an amount that the corporation or partnership may reasonably expect to receive.

**“1029.8.36.166.59.** For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.46 for a particular taxation year in respect of the unused portion of the tax credit of the corporation for a particular preceding taxation year, the unused portion of the tax credit of the corporation, otherwise determined, must, if the conditions set out in the second paragraph are met for the particular year or for a preceding taxation year (each of which is referred to in this section as a “year of increase”), be increased by the aggregate of all amounts each of which is the excess amount referred to in subparagraph *b* of the second paragraph for a year of increase.

For the purposes of the first paragraph, the conditions that must be met for a year of increase are as follows:

(a) any of sections 1029.8.36.166.55 to 1029.8.36.166.58 applies for the year of increase to the corporation in relation to a particular amount that may reasonably be considered to be a repayment, made in the year of increase or in the fiscal period of a partnership ending in the year of increase, of government assistance or non-government assistance that reduced, because of section 1029.8.36.166.52, the eligible expenses of the corporation, in respect of a qualified property, for the particular preceding year or the corporation’s share of the eligible expenses of the partnership, in respect of a qualified property, for a fiscal period of the partnership ending in the particular preceding year; and

(b) the amount determined under the third paragraph exceeds the amount determined under the fourth paragraph.

The first amount to which subparagraph *b* of the second paragraph refers is the total amount that the corporation would be deemed to have paid to the Minister for the particular preceding year under sections 1029.8.36.166.43 and 1029.8.36.166.44 if

(a) no reference were made to the second paragraph of sections 1029.8.36.166.43 and 1029.8.36.166.44;

(b) where section 1029.8.36.166.56 or 1029.8.36.166.57 applies for the year of increase to the corporation, the agreed proportion in respect of the corporation for the fiscal period of the partnership ending in the particular preceding year were the same as that for the year of increase; and

(c) any particular amount referred to in subparagraph *a* of the second paragraph that may reasonably be considered to be a repayment of government assistance or non-government assistance referred to in that subparagraph *a* reduced the amount of government assistance or non-government assistance.



The second amount to which subparagraph *b* of the second paragraph refers is the aggregate of

(a) the amount that would be determined under the third paragraph if no reference were made to subparagraph *c* of that paragraph; and

(b) the total amount that the corporation is deemed to have paid to the Minister for the year of increase under sections 1029.8.36.166.55 to 1029.8.36.166.57.

**“1029.8.36.166.60.** If, in respect of eligible expenses of a qualified corporation or of a qualified partnership, in respect of a qualified property, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the acquisition of the qualified property, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.43, the amount of the eligible expenses is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation’s filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.166.44 by a qualified corporation that is a member of the qualified partnership, the corporation’s share, for a fiscal period of the partnership that ends in the taxation year, of the amount of the eligible expenses, is to be reduced

i. by the corporation’s share, for the fiscal period, of the amount of the benefit or advantage that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the qualified corporation or a person with whom it does not deal at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the share, for a fiscal period of a qualified partnership, of a qualified corporation that is a member of the qualified partnership of the amount of the benefit or advantage that the partnership, or a person referred to in that subparagraph i, has obtained, is entitled to obtain or may reasonably expect

to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the fiscal period.”

(2) Subsection 1 has effect from 14 March 2008. However,

(1) when section 1029.8.36.166.40 of the Act applies before 4 June 2009, the portion of paragraph *b* of the definition of “eligible expenses” in the first paragraph of section 1029.8.36.166.40 before subparagraph *i* is to be read as follows:

“(b) for a partnership, the aggregate of the following expenses, except expenses incurred with a person with whom a corporation that is a member of the partnership, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation, is not dealing at arm’s length:”; and

(2) when section 1029.8.36.166.48 or 1029.8.36.166.54 of the Act applies before 4 March 2009, it is to be read as if “130R149” was replaced wherever it appears by “130R71”.

**304.** (1) Section 1029.8.36.167 of the Act is amended by striking out “of paragraph *f.1*” in subparagraph *a* of the second paragraph.

(2) Subsection 1 has effect from 4 March 2009.

**305.** Section 1029.8.36.169 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, a qualified corporation’s share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period.”

**306.** Section 1029.8.36.171 of the Act is amended by replacing subparagraph *b* of the fifth paragraph by the following subparagraph:

“(b) a qualified corporation’s share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period.”

**307.** Section 1029.8.36.172 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, a qualified corporation’s share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership’s fiscal period.”

**308.** Section 1029.8.36.174 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs i and ii of subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**309.** Section 1029.8.36.175 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the particular fiscal period and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraphs i and ii of subparagraphs *a* and *b* of the first paragraph by “the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment”;

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

“(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.”

**310.** Section 1029.8.36.176.1 of the Act is amended

(1) by replacing “the refund” in subparagraph *a* of the second paragraph and in subparagraph *c* of the third paragraph by “a repayment”;

(2) by replacing “of the corporation, the corporation’s share of the income or loss of the partnership for the fiscal period of the partnership ending in the particular preceding year and the partnership’s income or loss for that fiscal period were the same as those for the year of increase” in subparagraph *b* of the third paragraph by “to the corporation, the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the particular preceding year were the same as that for the year of increase”.

**311.** Section 1029.8.36.177 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the share, for a fiscal period of a qualified partnership, of a qualified corporation that is a member of the qualified partnership of the amount of the benefit or advantage that the partnership, or a person referred to in that subparagraph *i*, has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the fiscal period.”

**312.** Section 1029.8.50 of the Act is amended by striking out “deemed to be” in the sixth paragraph.

**313.** Section 1029.8.50.2 of the Act is amended by striking out “deemed to be” in subparagraph *a* of the second paragraph.

**314.** (1) Section 1029.8.61.1 of the Act is amended

(1) by inserting the following definitions in alphabetical order in the first paragraph:

““eligible spouse” of an individual for a taxation year means the person who is the individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4;

““schedule to the lease” of a dwelling unit means the form that must be attached to the lease of the dwelling unit, in accordance with section 2 of the Regulation respecting mandatory lease forms and the particulars of a notice to a new lessee made by Order in Council 907-96 (1996, G.O. 2, 3713), as amended.”;

(2) by replacing the portion of the definition of “eligible expense” in the first paragraph before paragraph *a* by the following:

““eligible expense” made by an eligible individual in a taxation year means, subject to section 1029.8.61.2, the portion of an amount paid in the year by the eligible individual or by the person who is the eligible individual’s spouse at the time of the payment, that may reasonably be attributed to an eligible service rendered or to be rendered in respect of the eligible individual after the eligible individual has attained the age of 70 years, and that corresponds”;

(3) by inserting the following definitions in alphabetical order in the first paragraph:

““eligible rent” for a dwelling unit for a particular month means an amount that is equal to the lesser of the rent attributable to the particular month and specified in the lease of the dwelling unit or, in the case of an oral lease, in the written document that must be given to the lessee, to which is added, if applicable, the additional rent attributable to that month and specified in the schedule to the lease of the dwelling unit—taking into account, if the lease

was renewed, the changes made to the rent for the dwelling unit and, if applicable, the changes made to the additional rent—and the amount paid or payable by the lessee, for the particular month, as rent for the dwelling unit;

““public network facility” means any of the following immovables:

(a) a facility maintained by a public institution or a private institution which is party to an agreement under the Act respecting health services and social services (chapter S-4.2) that operates a hospital centre, a residential and long-term care centre or a rehabilitation centre within the meaning of that Act;

(b) a facility maintained by a hospital centre or a reception centre that is a public institution for the purposes of the Act respecting health services and social services for Cree Native persons (chapter S-5) or that entered into a contract or an agreement in accordance with section 176 or 177 of that Act; or

(c) a building or residential facility where are offered the services of an intermediate resource or a family-type resource within the meaning of the Act respecting health services and social services or those of a foster family referred to in the Act respecting health services and social services for Cree Native persons;”;

(4) by inserting the following definitions in alphabetical order in the first paragraph:

““dependent person” at a particular time means a person who, at that time, according to a written certificate from a physician within the meaning of section 752.0.18, depends and will continue to permanently depend, for a prolonged and indefinite period, on other people for most of the person’s needs and personal care relating to hygiene, dressing, eating and mobility or transfers, or who needs constant supervision because of a severe mental disorder characterized by an irreversible breakdown in thought activity;

““family income” of an individual for a taxation year means the aggregate of the income of the individual for the year and the income, for the year, of the person who is the individual’s eligible spouse for the year;

““residence for the elderly” means a congregate residential facility where dwelling units intended for elderly persons are offered for rent along with a varied range of services relating mainly to security, housekeeping assistance and assistance with social activities;”;

(5) by replacing paragraph *b* of the definition of “eligible service” in the first paragraph by the following paragraph:

“(b) a maintenance or supply service that is a service described in the second paragraph of section 1029.8.61.3, rendered or to be rendered in Québec by a person or a service provider who is neither the eligible

individual's spouse nor a dependant of the eligible individual, in respect of a residential unit or dwelling unit of the eligible individual, or of land on which the unit is situated;”;

(6) by adding the following definitions in alphabetical order in the first paragraph:

““dwelling unit” of an eligible individual means a self-contained domestic establishment or a room that is leased or subleased by the eligible individual or the eligible individual's spouse and that is the eligible individual's principal place of residence, other than

(a) a self-contained domestic establishment or a room situated in a public network facility;

(b) a room situated in a hotel establishment or rooming house, that is leased or subleased by the eligible individual or the eligible individual's spouse for a period of less than 60 consecutive days; or

(c) a room situated in a self-contained domestic establishment maintained by a person, or by the person's spouse, who is the owner, lessee or sublessee of the self-contained domestic establishment and who, in respect of the eligible individual occupying the room, is deemed to have paid an amount on account of tax payable under section 1029.8.61.64 for the taxation year in which an eligible service is rendered or to be rendered in respect of the eligible individual;

““residential unit” of an eligible individual means a self-contained domestic establishment owned by the eligible individual or the eligible individual's spouse and that is the eligible individual's principal place of residence;”;

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

“(a) only the portion of an amount paid as rent that is determined in accordance with section 1029.8.61.2.1 or 1029.8.61.2.5 is an eligible expense made by an eligible individual in a taxation year;”;

(8) by adding the following subparagraph after subparagraph *d* of the second paragraph:

“(e) an amount paid in respect of a dwelling unit of an eligible individual situated in a residence for the elderly for a particular month in the year in addition to the eligible rent for that dwelling unit for the particular month is an eligible expense made by the eligible individual in a taxation year, to the extent that the amount is paid

i. to the operator of the residence for the elderly or to a person related to the operator, as consideration for the provision of an eligible service described in subparagraph *a* or *e* of the first paragraph of section 1029.8.61.3, or

ii. to a person or partnership, other than the operator of the residence for the elderly or a person related to the operator, as consideration for the provision of any of the following eligible services:

(1) a service described in any of subparagraphs *a*, *b* and *e* of the first paragraph of section 1029.8.61.3,

(2) a service described in subparagraph *a* of the second paragraph of section 1029.8.61.3, or

(3) a service described in subparagraph *b* of the second paragraph of section 1029.8.61.3, if it is rendered in the course of the provision of a service described in subparagraph *a* of that paragraph.”;

(9) by replacing “of the first paragraph” in the third paragraph by “of the definition of “eligible individual” in the first paragraph”;

(10) by adding the following paragraph after the third paragraph:

“For the purposes of the definition of “family income” in the first paragraph, if an individual was not resident in Canada throughout a taxation year, the individual’s income for the year is deemed to be equal to the income that would be determined in respect of the individual for the year under this Part if the individual had been resident in Québec and in Canada throughout the year or, if the individual died in the year, throughout the period of the year preceding the time of death.”

(2) Subsection 1 applies from the taxation year 2008.

**315.** (1) Section 1029.8.61.1.1 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2008.

**316.** (1) Section 1029.8.61.2 of the Act is amended

(1) by replacing “For the purposes” in the portion before paragraph *a* by “Subject to section 1029.8.61.2.7 and for the purposes”;

(2) by replacing “individual” and “individual’s spouse” wherever they appear in paragraphs *b* and *c* by “eligible individual” and “eligible individual’s spouse”, respectively.

(2) Subsection 1 applies from the taxation year 2008.

**317.** (1) The Act is amended by inserting the following sections after section 1029.8.61.2:

**“1029.8.61.2.1.** The portion of an amount paid for a particular month in a taxation year as rent for a dwelling unit of an eligible individual situated in a residence for the elderly that is an eligible expense made by the eligible individual in the year is equal to

(a) if, for the particular month, the eligible individual lives alone in the dwelling unit or only with a person to whom the eligible individual provides lodging, or the eligible individual co-leases the dwelling unit with at least one person who is not the eligible individual’s spouse, the amount determined under section 1029.8.61.2.2;

(b) if, for the particular month, the eligible individual shares the dwelling unit only with the eligible individual’s spouse who, at the end of the particular month, is 69 years of age or under, the amount determined under section 1029.8.61.2.3; or

(c) if, for the particular month, the eligible individual shares the dwelling unit only with the eligible individual’s spouse who, at the end of the particular month, is 70 years of age or over, the amount determined under section 1029.8.61.2.4.

**“1029.8.61.2.2.** The amount that must be determined, for the purposes of paragraph *a* of section 1029.8.61.2.1, for a particular month in a taxation year, in respect of an eligible individual’s dwelling unit is the lesser of

(a) the amount equal to 75% of the eligible rent for the dwelling unit for that month, if the eligible individual is a dependent person at the end of the particular month, and in any other case, to 65% of the eligible rent, to the extent that the eligible rent has been paid; and

(b) the amount determined by the formula

$$A + B + C + D + E + F.$$

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

(a) A is an amount equal to

i. \$150, if the eligible rent for the dwelling unit for the particular month does not exceed \$1,000,

ii. 15% of the eligible rent for the dwelling unit for the particular month, if the rent is greater than \$1,000 but does not exceed \$2,000, or

iii. \$300, if the eligible rent for the dwelling unit for the particular month is greater than \$2,000;

(b) B is, if the eligible individual receives, for the particular month, a laundry service for the care of bedding or clothing at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to



i. \$50, if the eligible rent for the dwelling unit for that month does not exceed \$1,000,

ii. 5% of the eligible rent for the dwelling unit for that month, if the rent is greater than \$1,000 but does not exceed \$2,000, or

iii. \$100, if the eligible rent for the dwelling unit for that month is greater than \$2,000;

(c) C is, if the eligible individual receives, for the particular month, a housekeeping service at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to

i. \$50, if the eligible rent for the dwelling unit for that month does not exceed \$1,000,

ii. 5% of the eligible rent for the dwelling unit for that month, if the rent is greater than \$1,000 but does not exceed \$2,000, or

iii. \$100, if the eligible rent for the dwelling unit for that month is greater than \$2,000;

(d) D is, if the eligible individual receives, for the particular month, a daily food service concerning the preparation or delivery of at least one of three meals (breakfast, lunch or supper), as specified in the schedule to the lease of the dwelling unit, any of the following amounts:

i. if the eligible rent for the dwelling unit for that month does not exceed \$1,000,

(1) \$100, if the food service is provided in respect of one meal a day,

(2) \$150, if the food service is provided in respect of two meals a day, or

(3) \$200, if the food service is provided in respect of three meals a day,

ii. if the eligible rent for the dwelling unit for that month is greater than \$1,000 but does not exceed \$2,000,

(1) 10% of the eligible rent, if the food service is provided in respect of one meal a day,

(2) 15% of the eligible rent, if the food service is provided in respect of two meals a day, or

(3) 20% of the eligible rent, if the food service is provided in respect of three meals a day, or

iii. if the eligible rent for the dwelling unit for that month is greater than \$2,000,

- (1) \$200, if the food service is provided in respect of one meal a day,
- (2) \$300, if the food service is provided in respect of two meals a day, or
- (3) \$400, if the food service is provided in respect of three meals a day;

(e) E is, if the eligible individual receives, for the particular month, a service providing for the presence of a person, who is a member of the Ordre des infirmières et infirmiers du Québec or of the Ordre des infirmières et infirmiers auxiliaires du Québec, for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, an amount equal to

i. \$100, if the eligible rent for the dwelling unit for that month does not exceed \$1,000,

ii. 10% of the eligible rent for the dwelling unit for that month, if the rent is greater than \$1,000 but does not exceed \$2,000, or

iii. \$200, if the eligible rent for the dwelling unit for that month is greater than \$2,000; and

(f) F is, if the eligible individual receives, for the particular month, a service providing for the presence of a personal care attendant for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, any of the following amounts:

i. if the eligible rent for the dwelling unit for that month does not exceed \$1,000,

(1) \$200, if the eligible individual is a dependent person at the end of the month, or

(2) \$100, if subparagraph 1 does not apply to the individual,

ii. if the eligible rent for the dwelling unit for that month is greater than \$1,000 but does not exceed \$2,000,

(1) 20% of the eligible rent, if the eligible individual is a dependent person at the end of the month, or

(2) 10% of the eligible rent, if subparagraph 1 does not apply to the individual, or

iii. if the eligible rent for the dwelling unit for that month is greater than \$2,000,

(1) the total of \$200 and 10% of the eligible rent, if the eligible individual is a dependent person at the end of the month, or

(2) \$200, if subparagraph 1 does not apply to the individual.

**“1029.8.61.2.3.** The amount that must be determined, for the purposes of paragraph *b* of section 1029.8.61.2.1, for a particular month in a taxation year, in respect of an eligible individual’s dwelling unit is the lesser of

(a) the amount equal to 75% of the eligible rent for the dwelling unit for that month, if the eligible individual is a dependent person at the end of the particular month, and in any other case, to 65% of the eligible rent, to the extent that the eligible rent has been paid; and

(b) the amount determined by the formula

$$A + B + C + D + E + F.$$

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

(a) A is an amount equal to the greater of 10.5% of the eligible rent for the dwelling unit for the particular month and \$150, but without exceeding \$300;

(b) B is, if the eligible individual receives, for the particular month, a laundry service for the care of bedding or clothing at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 3.5% of the eligible rent for the dwelling unit for that month and \$50, but without exceeding \$100;

(c) C is, if the eligible individual receives, for the particular month, a housekeeping service at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 3.5% of the eligible rent for the dwelling unit for that month and \$50, but without exceeding \$100;

(d) D is, if the eligible individual receives, for the particular month, a daily food service concerning the preparation or delivery of at least one of three meals (breakfast, lunch or supper), as specified in the schedule to the lease of the dwelling unit, an amount equal to

i. the greater of 7% of the eligible rent for the dwelling unit for that month and \$100, but without exceeding \$200, if the food service is provided in respect of one meal a day,

ii. the greater of 10.5% of the eligible rent for the dwelling unit for that month and \$150, but without exceeding \$300, if the food service is provided in respect of two meals a day, or

iii. the greater of 13.5% of the eligible rent for the dwelling unit for that month and \$200, but without exceeding \$400, if the food service is provided in respect of three meals a day;

(e) E is, if the eligible individual receives, for the particular month, a service providing for the presence of a person, who is a member of the Ordre des infirmières et infirmiers du Québec or of the Ordre des infirmières et infirmiers auxiliaires du Québec, for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 7% of the eligible rent for the dwelling unit for that month and \$100, but without exceeding \$200; and

(f) F is, if the eligible individual receives, for the particular month, a service providing for the presence of a personal care attendant for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, the aggregate of

i. the greater of 7% of the eligible rent for the dwelling unit for that month and \$100, but without exceeding \$200, and

ii. if the eligible individual is a dependent person at the end of the month, the greater of 7% of the eligible rent for the dwelling unit for that month and \$100.

**“1029.8.61.2.4.** The amount that must be determined, for the purposes of paragraph *c* of section 1029.8.61.2.1, for a particular month in a taxation year, in respect of an eligible individual’s dwelling unit is the lesser of

(a) the amount equal to 75% of the eligible rent for the dwelling unit for that month, if the eligible individual or the eligible individual’s spouse is a dependent person at the end of the particular month, and to 65% of the eligible rent, if neither the eligible individual nor the eligible individual’s spouse is a dependent person at the end of the particular month, to the extent that the eligible rent has been paid; and

(b) the amount determined by the formula

$$A + B + C + D + E + F.$$

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

(a) A is an amount equal to the greater of 10.5% of the eligible rent for the dwelling unit for the particular month and \$150, but without exceeding \$300;

(b) B is, if the eligible individual or the eligible individual’s spouse receives, for the particular month, a laundry service for the care of bedding or clothing at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 5% of the eligible rent for the dwelling unit for that month and \$75, but without exceeding \$100;

(c) C is, if the eligible individual or the eligible individual’s spouse receives, for the particular month, a housekeeping service at least once a week, as specified in the schedule to the lease of the dwelling unit, an amount

equal to the greater of 3.5% of the eligible rent for the dwelling unit for that month and \$50, but without exceeding \$100;

(d) D is, if the eligible individual or the eligible individual's spouse receives, for the particular month, a daily food service concerning the preparation or delivery of at least one of three meals (breakfast, lunch or supper), as specified in the schedule to the lease of the dwelling unit, an amount equal to

i. the greater of 14% of the eligible rent for the dwelling unit for that month and \$200, but without exceeding \$400, if the food service is provided in respect of one meal a day,

ii. the greater of 21% of the eligible rent for the dwelling unit for that month and \$300, but without exceeding \$600, if the food service is provided in respect of two meals a day, or

iii. the greater of 27% of the eligible rent for the dwelling unit for that month and \$400, but without exceeding \$800, if the food service is provided in respect of three meals a day;

(e) E is, if the eligible individual or the eligible individual's spouse receives, for the particular month, a service providing for the presence of a person, who is a member of the Ordre des infirmières et infirmiers du Québec or of the Ordre des infirmières et infirmiers auxiliaires du Québec, for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, an amount equal to the greater of 7% of the eligible rent for the dwelling unit for that month and \$100, but without exceeding \$200; and

(f) F is, if the eligible individual or the eligible individual's spouse receives, for the particular month, a service providing for the presence of a personal care attendant for a period of at least seven hours a day, as specified in the schedule to the lease of the dwelling unit, the aggregate of

i. the greater of 14% of the eligible rent for the dwelling unit for that month and \$200, but without exceeding \$400, and

ii. any of the following amounts:

(1) if either the eligible individual or the eligible individual's spouse is a dependent person at the end of the particular month, the greater of 7% of the eligible rent for the dwelling unit for that month and \$200,

(2) if both the eligible individual and the eligible individual's spouse are dependent persons at the end of the particular month, the greater of 14% of the eligible rent for the dwelling unit for that month and \$200, or

(3) if neither the eligible individual nor the eligible individual's spouse is a dependent person at the end of the particular month, zero.

**“1029.8.61.2.5.** The portion of an amount paid for a particular month in a taxation year as rent for an eligible individual’s dwelling unit, other than a dwelling unit situated in a residence for the elderly, that is an eligible expense made by the eligible individual in the year is equal to the amount obtained by multiplying the lesser of the eligible rent for the dwelling unit for that month and \$600 by 5%.

If an eligible individual is co-leasing a dwelling unit, the amount of \$600 mentioned in the first paragraph is to be replaced by the quotient obtained by dividing that amount by the number of co-lessees of the dwelling unit.

**“1029.8.61.2.6.** For the purposes of sections 1029.8.61.2.1 to 1029.8.61.2.5 and of this section, the following rules apply:

(a) if an eligible individual lives, in a particular month, in a dwelling unit that the eligible individual’s spouse is co-leasing with one or more other persons, the eligible individual is deemed, for the particular month, to be a co-lessee of the dwelling unit;

(b) if an eligible individual is co-leasing a dwelling unit, the eligible rent for the dwelling unit for a particular month is deemed to be equal, in respect of the eligible individual, to the amount obtained by dividing the eligible rent for the dwelling unit for that month by the number of co-lessees of the dwelling unit; and

(c) if, in a particular month, an eligible individual shares, only with the eligible individual’s spouse, a dwelling unit of which the eligible individual’s spouse is a lessee, the eligible individual is deemed, for the particular month, to be a lessee of the dwelling unit and the eligible rent for the dwelling unit for that month is deemed to be equal, in respect of the eligible individual, to the eligible rent for the dwelling unit for that month.

**“1029.8.61.2.7.** For the purposes of any of subparagraphs *b* to *f* of the second paragraph of any of sections 1029.8.61.2.2 to 1029.8.61.2.4, the amount of a refund that the eligible individual or the eligible individual’s spouse, or, if applicable, the legal representative of either of them, has received or is entitled to receive and that is attributable to a service described in any of those subparagraphs *b* to *f*, must reduce the amount determined in respect of the service under that subparagraph, up to the latter amount.

For the purposes of any of sections 1029.8.61.2.2 to 1029.8.61.2.6, the eligible rent for a dwelling unit for a particular month in respect of an eligible individual must be reduced by the amount of a refund attributable to that rent, other than an amount of refund referred to in the first paragraph, that the eligible individual or the eligible individual’s spouse, or, if applicable, the legal representative of either of them, has received or is entitled to receive for that month.”

(2) Subsection 1 applies from the taxation year 2008.

**318.** (1) Section 1029.8.61.3 of the Act is amended

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

“(a) a personal care service to assist the individual with hygiene, dressing, eating and mobility or transfers, if the individual does not have the autonomy required to care fully for himself or herself, because of the individual’s condition;”;

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

“The maintenance or supply services rendered or to be rendered in respect of an eligible individual’s dwelling unit or residential unit, that are services required by an eligible individual so that tasks normally performed in respect of such a unit can be performed, and to which paragraph *b* of the definition of “eligible service” in the first paragraph of section 1029.8.61.1 refers, are, subject to the second paragraph of section 1029.8.61.3.1 and section 1029.8.61.4, the following services:”;

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

“(c.1) a maintenance service consisting of minor maintenance work on a facility that is inside the dwelling unit or residential unit or, as the case may be, the building in which the unit is situated, and that could have been outside, by reason of its nature or intended use; and”.

(2) Subsection 1 applies from the taxation year 2008.

**319.** (1) Section 1029.8.61.3.1 of the Act is amended

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

“(a) a meal preparation service means a service that consists in helping an eligible individual to prepare the eligible individual’s meals in a dwelling unit or residential unit of an eligible individual, or a meal preparation service rendered or to be rendered by a community organization established and operated exclusively for non-profit purposes; and

“(b) a meal delivery service means such a service rendered or to be rendered by a community organization established and operated exclusively for non-profit purposes.”;

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

“The service, in respect of an eligible individual, described in subparagraph *b* of the second paragraph of section 1029.8.61.3 does not include a service rendered or to be rendered by a person or partnership whose principal business is the provision of dry cleaning, laundering or pressing services and other related services.”

(2) Subsection 1 applies from the taxation year 2008.

**320.** (1) Section 1029.8.61.4 of the Act is amended by replacing “one of the forms referred to” in paragraph *f* by “the form referred to”.

(2) Subsection 1 applies from the taxation year 2008.

**321.** (1) Section 1029.8.61.5 of the Act is amended

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

**“1029.8.61.5.** Subject to section 1029.8.61.5.1, an eligible individual who, in a taxation year, makes an eligible expense and files, for the year, a fiscal return under section 1000 is deemed to have paid to the Minister, on the eligible individual’s balance-due day for that taxation year, on account of the eligible individual’s tax payable for the year under this Part, an amount equal to the amount determined by the formula

$A - B.$ ”;

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

“In the formula in the first paragraph,

(a) *A* is 30% of the aggregate of all amounts each of which is an eligible expense; and

(b) *B* is 3% of the amount by which the eligible individual’s family income for the year exceeds \$50,000.”;

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

“However, for the purposes of subparagraph *a* of the second paragraph, the aggregate of all amounts each of which is an eligible expense made by an eligible individual in a taxation year may not exceed

(a) \$21,600, if the eligible individual is a dependent person at the end of the year; or

(b) \$15,600, if subparagraph *a* does not apply to the eligible individual.”;

(4) by replacing the portion of the third paragraph before subparagraph *b* by the following:



“An eligible individual may be deemed to have paid an amount to the Minister under the first paragraph for a taxation year in respect of an eligible expense only if the eligible individual files with the Minister the following documents with the fiscal return the eligible individual is required to file for the year under section 1000, unless the documents have already been filed with the Minister in connection with an application for advance payments made under section 1029.8.61.6:

(a) if the eligible individual lives in a dwelling unit and the eligible expense includes a portion of the amount paid as rent, as determined under section 1029.8.61.2.1 or 1029.8.61.2.5,

i. a copy of the lease of the dwelling unit or of the written document that must be given to the lessee in the case of an oral lease,

ii. a copy of the schedule to the lease of the dwelling unit, if any, and

iii. a copy of any notice of change to the lease or of any judgment setting the rent for the dwelling unit; and”.

(2) Subsection 1 applies from the taxation year 2008.

**322.** (1) The Act is amended by inserting the following sections after section 1029.8.61.5:

“**1029.8.61.5.1.** If, for a taxation year, an eligible individual is the eligible spouse of another eligible individual, the following rules apply:

(a) only one of those eligible individuals is deemed to have paid an amount to the Minister on account of that eligible individual’s tax payable for the year under section 1029.8.61.5;

(b) the eligible expense made in the year by the eligible spouse of the eligible individual to whom paragraph *a* applies is deemed to be an eligible expense made in the year by that individual, to the extent that the amount of such an expense is not otherwise included in the aggregate of all amounts each of which is an eligible expense made in the year by the eligible individual; and

(c) the amount determined for the year under the third paragraph of section 1029.8.61.5 in respect of the eligible individual to whom paragraph *a* applies is to be increased by the amount that would be determined for the year under that paragraph in respect of the eligible individual’s eligible spouse if this division were read without reference to this section.

“**1029.8.61.5.2.** If, at a particular time in a taxation year, two eligible individuals who are spouses cease to live together because of a breakdown of their marriage and their separation lasts for a period of at least 90 days that includes the particular time, the aggregate of all amounts each of which is an

eligible expense made by either eligible individual in the period of the year preceding the particular time and in which they were spouses may be apportioned between them in such manner as may be agreed by them or, in case of disagreement, as the Minister may determine.”

(2) Subsection 1 applies from the taxation year 2008.

**323.** (1) Section 1029.8.61.6 of the Act is amended

(1) by replacing “If an individual applies therefor to the Minister, in” in the portion before subparagraph *a* of the first paragraph by “If, on or before 1 December of a taxation year, an individual applies to the Minister, in the”;

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

“(c) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution situated in Québec.”;

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

“If an application for advance payments referred to in the first paragraph is made in respect of an eligible expense that includes a portion of an amount paid as rent, the prescribed form used for the application must be accompanied by the documents described in subparagraphs *i* to *iii* of subparagraph *a* of the fourth paragraph of section 1029.8.61.5.”;

(4) by adding the following paragraph after the second paragraph:

“If, at the time the application for advance payments referred to in the first paragraph is made, an individual has a spouse who satisfies the conditions set out in subparagraphs *a* and *b* of that paragraph, only one of them may make the application.”

(2) Paragraphs 1, 2 and 4 of subsection 1 apply from the taxation year 2008.

(3) Paragraph 3 of subsection 1 applies in respect of an advance payment that relates to an amount to be paid as rent after 30 June 2008.

**324.** (1) The Act is amended by inserting the following after section 1029.8.61.7:

“§3. — *Financial compensation*

“**1029.8.61.7.1.** The Minister may establish and implement a transitional financial compensation program for elderly persons who live in a dwelling unit.

The program mentioned in the first paragraph is a fiscal law within the meaning of the Act respecting the Ministère du Revenu (chapter M-31).”

(2) Subsection 1 applies from the taxation year 2008.

**325.** Section 1029.8.61.20 of the Act, amended by section 456 of chapter 5 of the statutes of 2009, is again amended by replacing “next before” in subparagraph *b* of the second paragraph by “immediately before”.

**326.** (1) The Act is amended by inserting the following after section 1029.8.61.75, enacted by section 459 of chapter 5 of the statutes of 2009:

**“DIVISION II.11.5**

**“CREDIT FOR RESPITE EXPENSES OF INFORMAL CAREGIVERS**

**“§1. — *Interpretation and general***

**“1029.8.61.76.** In this division,

“eligible relative” of an individual means a person at least 18 years of age who, because of a significant disability, cannot be left without supervision and who

(*a*) is the individual’s spouse or the child, grandchild, nephew, niece, brother, sister, father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual’s spouse or any other direct ascendant of the individual or of the individual’s spouse; and

(*b*) is either

i. a person in respect of whom the conditions set out in subparagraphs *a* to *b.1* of the first paragraph of section 752.0.14 are met, or

ii. a person who is receiving palliative care;

“eligible spouse” of an individual for a taxation year means the person who is the individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4;

“family income” of an individual for a taxation year means the amount by which \$50,000 is exceeded by the aggregate of the income of the individual for the year and the income, for the year, of the individual’s eligible spouse for the year;

“recognized diploma” means

(*a*) a diploma of vocational studies in home care assistance;

(b) a diploma of vocational studies in home care and family and social assistance;

(c) a diploma of vocational studies in assistance in health care establishments;

(d) a diploma of vocational studies in assistance to patients or residents in health care establishments;

(e) a diploma of vocational studies in health, assistance and nursing;

(f) a diploma of college studies in nursing;

(g) a bachelor's degree in nursing; or

(h) any other diploma that enables an individual to act as

i. a visiting homemaker,

ii. a home support worker,

iii. a family and social auxiliary,

iv. a nursing attendant,

v. a health care aide,

vi. a beneficiary care attendant,

vii. a nursing assistant, or

viii. a nurse;

“specialized respite services” means the services by which a person who holds a recognized diploma provides, in place of an individual, home care to an eligible relative of the individual.

For the purposes of the definition of “specialized respite services” in the first paragraph, a person is deemed to have been awarded a recognized diploma if

(a) the care given to the individual's eligible relative by the person is in addition to care the person is required to give the eligible relative, in accordance with the direct allowance program administered by the Minister of Health and Social Services, within the framework of the person's participation in implementing an intervention plan or an individualized service plan developed, in respect of the eligible relative, by an institution referred to in Title I of Part II of the Act respecting health services and social services (chapter S-4.2) or by an institution within the meaning of section 1 of the

Act respecting health services and social services for Cree Native persons (chapter S-5); or

(b) the person holds employment with an entity that may be called upon to provide specialized respite services to an individual under an intervention plan or an individualized service plan established by an institution referred to in subparagraph *a*.

**“1029.8.61.77.** For the purposes of the definition of “eligible relative” in the first paragraph of section 1029.8.61.76, a person who, immediately before death, was the spouse of an individual is deemed to be a spouse of the individual.

**“1029.8.61.78.** For the purpose of determining whether an individual is deemed to have paid an amount to the Minister under section 1029.8.61.80 for a taxation year in respect of an eligible relative, the eligible relative shall, on request in writing by the Minister for information with respect to the eligible relative’s impairment or the palliative care the eligible relative is receiving and its effects on the eligible relative or with respect to any therapy that is required to be administered to the eligible relative, provide the information so requested in writing.

**“1029.8.61.79.** For the purposes of the definition of “family income” in the first paragraph of section 1029.8.61.76, the income for a taxation year of an individual who was not resident in Canada throughout the year is deemed to be equal to the income that would be determined in respect of the individual for the year under this Part if the individual had been resident in Québec and in Canada throughout the year or, if the individual died in the year, throughout the period of the year preceding the time of death.

“§2. — *Credit*

**“1029.8.61.80.** An individual who is resident in Québec at the end of 31 December of a taxation year is deemed to have paid to the Minister, on the individual’s balance-due day for that year, on account of the individual’s tax payable under this Part for the year, an amount equal to the amount by which 30% of the lesser of the following amounts exceeds 3% of the individual’s family income for the year:

(a) the aggregate of all amounts each of which is an amount paid by the individual in respect of expenses incurred in the year for specialized respite services provided to a person who, when those expenses are incurred, is an eligible relative of the individual and ordinarily lives with the individual; and

(b) \$5,200.

No individual may be deemed to have paid an amount to the Minister under the first paragraph for a taxation year in respect of a particular amount paid in respect of expenses incurred in the year for specialized respite

services, unless proof of payment of the particular amount is provided by filing with the Minister, together with the fiscal return the individual is required to file under section 1000 for the year, or would be required to so file if tax were payable by the individual for the year under this Part, one or more receipts issued by the payee and containing, if the payee is an individual, the individual's Social Insurance Number.

For the purposes of this section, an individual who was resident in Québec immediately before death is deemed to be resident in Québec at the end of 31 December of the year of the individual's death.

**“1029.8.61.81.** For the purposes of section 1029.8.61.80, the expenses incurred by an individual for specialized respite services do not include

(a) an amount in respect of which a taxpayer is or was entitled to a reimbursement, or another form of assistance, except to the extent that the amount is included in computing the income of any taxpayer and is not deductible in computing that taxpayer's income or taxable income;

(b) an amount that was taken into account in computing an amount deducted under section 752.0.11 in computing an individual's tax payable under this Part; and

(c) an amount that was taken into account in computing an amount that an individual is deemed to have paid to the Minister under section 1029.8.61.5 or 1029.8.79.

**“1029.8.61.82.** For the purpose of applying this division to a taxation year for which two or more individuals could, but for this section, be deemed under section 1029.8.61.80 to have paid an amount to the Minister in respect of expenses incurred in the year for specialized respite services provided to the same person, that person is deemed, for any time at which an amount has been incurred in respect of those expenses, to be the eligible relative solely of the individual from among those individuals who is the eligible relative's main support for the year.”

(2) Subsection 1 applies from the taxation year 2008.

**327.** (1) Section 1029.8.63 of the Act is amended by replacing “\$6,000” and “30%” in the first paragraph by “\$10,000” and “50%”, respectively.

(2) Subsection 1 applies in respect of a certificate issued after 31 December 2007 or a judgment rendered after that date.

**328.** (1) Section 1029.8.66.2 of the Act is amended by replacing “\$6,000” and “30%” in the first paragraph by “\$10,000” and “50%”, respectively.

(2) Subsection 1 applies from the taxation year 2008.

**329.** (1) Section 1029.8.67 of the Act, amended by section 460 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “\$6,275” in the definition of “eligible child” by “\$6,890”;

(2) by replacing “\$7,000” in paragraph *b* of the definition of “qualified child care expense” by “\$9,000”.

(2) Subsection 1 applies from the taxation year 2009.

**330.** (1) The Act is amended by inserting the following section after section 1029.8.67:

**“1029.8.67.1.** For the purposes of this division, the child care expense of an individual for a taxation year includes, despite the definition of that expression in section 1029.8.67, the expense incurred to care for a child throughout the period of the year during which the individual, or the individual’s eligible spouse for the year, receives benefits relating to a birth or an adoption under the Act respecting parental insurance (chapter A-29.011), the Employment Insurance Act (Statutes of Canada, 1996, chapter 23) or a similar Act of a province other than Québec.”

(2) Subsection 1 applies from the taxation year 2009.

**331.** Section 1029.8.77.1 of the Act is replaced by the following section:

**“1029.8.77.1.** For the purposes of the definition of “family income” in section 1029.8.67, the income for a taxation year of an individual who was not resident in Canada throughout the year is deemed to be equal to the income that would be determined in respect of the individual for the year under this Part if the individual had been resident in Québec and in Canada throughout the year or, if the individual died in the year, throughout the period of the year preceding the time of death.”

**332.** (1) Section 1029.8.80 of the Act is replaced by the following section:

**“1029.8.80.** The percentage to which the first paragraph of section 1029.8.79 refers in respect of an individual for a taxation year is

(a) 75% if the individual’s family income for the year does not exceed \$31,520;

(b) 74% if the individual’s family income for the year exceeds \$31,520 but does not exceed \$32,685;

(c) 73% if the individual’s family income for the year exceeds \$32,685 but does not exceed \$33,855;

(d) 72% if the individual’s family income for the year exceeds \$33,855 but does not exceed \$35,015;

(e) 71% if the individual's family income for the year exceeds \$35,015 but does not exceed \$36,185;

(f) 70% if the individual's family income for the year exceeds \$36,185 but does not exceed \$37,345;

(g) 69% if the individual's family income for the year exceeds \$37,345 but does not exceed \$38,525;

(h) 68% if the individual's family income for the year exceeds \$38,525 but does not exceed \$39,690;

(i) 67% if the individual's family income for the year exceeds \$39,690 but does not exceed \$40,850;

(j) 66% if the individual's family income for the year exceeds \$40,850 but does not exceed \$42,015;

(k) 65% if the individual's family income for the year exceeds \$42,015 but does not exceed \$43,190;

(l) 64% if the individual's family income for the year exceeds \$43,190 but does not exceed \$44,355;

(m) 63% if the individual's family income for the year exceeds \$44,355 but does not exceed \$45,525;

(n) 62% if the individual's family income for the year exceeds \$45,525 but does not exceed \$46,685;

(o) 61% if the individual's family income for the year exceeds \$46,685 but does not exceed \$47,860;

(p) 60% if the individual's family income for the year exceeds \$47,860 but does not exceed \$86,370;

(q) 57% if the individual's family income for the year exceeds \$86,370 but does not exceed \$124,000;

(r) 54% if the individual's family income for the year exceeds \$124,000 but does not exceed \$125,175;

(s) 52% if the individual's family income for the year exceeds \$125,175 but does not exceed \$126,350;

(t) 50% if the individual's family income for the year exceeds \$126,350 but does not exceed \$127,525;

(u) 48% if the individual's family income for the year exceeds \$127,525 but does not exceed \$128,700;



(v) 46% if the individual's family income for the year exceeds \$128,700 but does not exceed \$129,875;

(w) 44% if the individual's family income for the year exceeds \$129,875 but does not exceed \$131,050;

(x) 42% if the individual's family income for the year exceeds \$131,050 but does not exceed \$132,225;

(y) 40% if the individual's family income for the year exceeds \$132,225 but does not exceed \$133,400;

(z) 38% if the individual's family income for the year exceeds \$133,400 but does not exceed \$134,575;

(z.1) 36% if the individual's family income for the year exceeds \$134,575 but does not exceed \$135,750;

(z.2) 34% if the individual's family income for the year exceeds \$135,750 but does not exceed \$136,925;

(z.3) 32% if the individual's family income for the year exceeds \$136,925 but does not exceed \$138,100;

(z.4) 30% if the individual's family income for the year exceeds \$138,100 but does not exceed \$139,275;

(z.5) 28% if the individual's family income for the year exceeds \$139,275 but does not exceed \$140,450; and

(z.6) 26% if the individual's family income for the year exceeds \$140,450.”

(2) Subsection 1 applies from the taxation year 2009.

**333.** (1) Section 1029.8.80.2 of the Act, amended by section 469 of chapter 5 of the statutes of 2009, is again amended, in the first paragraph,

(1) by replacing “section 1029.8.116.5” in subparagraph *f* by “section 1029.8.116.5 or 1029.8.116.5.0.1”;

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

“(g) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution situated in Québec.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2008.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2009.

**334.** (1) Section 1029.8.80.3 of the Act is amended

(1) by replacing paragraphs *a* to *f* by the following paragraphs:

“(a) 75% if the individual’s estimated family income for the year does not exceed \$31,520;

“(b) 70% if the individual’s estimated family income for the year exceeds \$31,520 but does not exceed \$37,345;

“(c) 65% if the individual’s estimated family income for the year exceeds \$37,345 but does not exceed \$43,190;

“(d) 60% if the individual’s estimated family income for the year exceeds \$43,190 but does not exceed \$86,370;

“(e) 57% if the individual’s estimated family income for the year exceeds \$86,370 but does not exceed \$124,000;

“(f) 50% if the individual’s estimated family income for the year exceeds \$124,000 but does not exceed \$127,525;”;

(2) by striking out paragraph *g*;

(3) by replacing paragraphs *h* to *k* by the following paragraphs:

“(h) 44% if the individual’s estimated family income for the year exceeds \$127,525 but does not exceed \$131,050;

“(i) 38% if the individual’s estimated family income for the year exceeds \$131,050 but does not exceed \$134,575;

“(j) 32% if the individual’s estimated family income for the year exceeds \$134,575 but does not exceed \$138,100; and

“(k) 26% if the individual’s estimated family income for the year exceeds \$138,100.”

(2) Subsection 1 applies from the taxation year 2009.

**335.** (1) Section 1029.8.101 of the Act, amended by section 471 of chapter 5 of the statutes of 2009, is again amended

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

““eligible spouse” of an eligible individual for a taxation year means the person who is the eligible individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4, unless, at the end of 31 December

of the year or, if the person died in the year, immediately before the person's death,

(a) the person was not resident in Québec; or

(b) the person was confined to a prison or similar institution and had been so confined during the year for one or more periods totalling more than six months;"

(2) by inserting "or subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1" after "section 1029.8.116.5" in paragraph *b* of the definition of "eligible individual".

(2) Subsection 1 applies from the taxation year 2008.

**336.** Section 1029.8.108 of the Act is replaced by the following section:

**"1029.8.108.** An eligible individual may not be deemed to have paid an amount to the Minister under section 1029.8.105 for a taxation year in a month specified for that year if, at the end of 31 December of the year, the eligible individual was confined to a prison or similar institution and has been so confined during the year for one or more periods totalling more than six months."

**337.** (1) Section 1029.8.110 of the Act, amended by section 472 of chapter 5 of the statutes of 2009, is again amended by inserting "or subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1" after "section 1029.8.116.5" in paragraph *b* of the definition of "eligible individual".

(2) Subsection 1 applies from the taxation year 2008.

**338.** (1) The heading of Division II.17.1 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

"CREDITS TO INCREASE THE INCENTIVE TO WORK".

(2) Subsection 1 applies from the taxation year 2008.

**339.** (1) Section 1029.8.116.1 of the Act, amended by section 478 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing the definition of "eligible spouse" by the following definition:

"eligible spouse" of an eligible individual for a taxation year means the person who is the eligible individual's eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4, unless, at the end of 31 December of the year or, if the person died in the year, immediately before the person's death,

(a) the person was not resident in Québec; or

(b) the person was confined to a prison or similar institution and had been so confined during the year for one or more periods totalling more than six months;”;

(2) by inserting “or subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1” after “section 1029.8.116.5” in paragraph *d* of the definition of “eligible individual”;

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

““period of transition to work” of an individual means a period that begins on the first day of a particular month that is both subsequent to the month of March 2008 and recognized by the Minister of Employment and Social Solidarity as a month in which the individual ceases to receive a last resort financial assistance benefit under Title II of the Individual and Family Assistance Act (chapter A-13.1.1) because of earned income from employment as determined for the purposes of that Act, and that ends on the last day of the eleventh month that follows the particular month or, if it is earlier, the last day of the month that precedes the month in which the individual again receives such a benefit;”;

(4) by replacing paragraphs *a* and *b* of the definition of “work income” by the following paragraphs:

“(a) the individual’s income for the year from an office or employment computed under Chapters I and II of Title II of Book III, other than such an income that is deductible in computing the individual’s taxable income under paragraph *e* of section 725;

“(b) the individual’s income for the year from a business the individual carries on either alone or as a partner actively engaged in the business, other than such an income that is deductible in computing the individual’s taxable income under paragraph *e* of section 725; and”;

(5) by adding the following paragraph after paragraph *b* of the definition of “work income”:

“(c) the amount included in computing the individual’s income for the year under paragraph *h* of section 312, other than such an amount that is deductible in computing the individual’s taxable income under paragraph *e* of section 725.”;

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

““earned income” of an individual for a month means the aggregate of

(a) the individual's income from an office or employment, computed under Chapters I and II of Title II of Book III, that may reasonably be attributed to that month, other than such an income that is deductible in computing the individual's taxable income under paragraph *e* of section 725; and

(b) the individual's income from any business the individual carries on either alone or as a partner actively engaged in the business, that may reasonably be attributed to that month, other than such an income that is deductible in computing the individual's taxable income under paragraph *e* of section 725;”;

(7) by replacing the definition of “total income” by the following definition:

““total income” of an eligible individual for a taxation year means the aggregate of the income for the year of the eligible individual and the income for the year of the eligible individual's eligible spouse for the year;”.

(2) Subsection 1 applies from the taxation year 2008.

**340.** (1) The Act is amended by inserting the following section after section 1029.8.116.2.1:

**“1029.8.116.2.2.** For the purposes of the definition of “period of transition to work” of an individual in section 1029.8.116.1, the Minister of Employment and Social Solidarity shall comply with the following rules:

(a) despite subparagraph *a* of paragraph 2 of section 55 of the Individual and Family Assistance Act (chapter A-13.1.1), if the individual is a member of a family, that Minister shall take into account only the income from employment earned by the individual and by the individual's spouse within the meaning of section 22 of that Act; and

(b) that Minister shall not consider an individual to have received, for a month, a last resort financial assistance benefit if, for that month, the individual receives only a special benefit under section 48 of the Individual and Family Assistance Regulation made by Order in Council 1073-2006 (2006, G.O. 2, 3877), as amended.”

(2) Subsection 1 applies from the taxation year 2008.

**341.** (1) Section 1029.8.116.3 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2008.

**342.** (1) The heading of subdivision 2 of Division II.17.1 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

“§2. — *Credits*”.

(2) Subsection 1 applies from the taxation year 2008.

**343.** (1) Section 1029.8.116.5 of the Act is amended

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

**“1029.8.116.5.** An eligible individual for a taxation year who is resident in Québec at the end of 31 December of the year is deemed, subject to the third paragraph, to have paid to the Minister, on the eligible individual’s balance-due day for the year, on account of the eligible individual’s tax payable for the year, provided that the eligible individual makes an application to that effect, in the prescribed form containing prescribed information, in the fiscal return the eligible individual is required to file for the year under section 1000, or would be required to so file if tax were payable for the year by the eligible individual, the amount determined by the formula”;

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

“i. the work premium reduction threshold that is applicable for the year in respect of an eligible individual who does not have an eligible spouse for the year, and

“ii. the work premium reduction threshold that is applicable for the year in respect of an eligible individual who has an eligible spouse for the year.”;

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

“(a) the excess amount that corresponds to the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is an advance payment referred to in the second paragraph of section 1029.8.116.9, that the eligible individual, or the eligible individual’s eligible spouse for the year, has received, or may reasonably expect to receive, for the year, less the aggregate of all amounts each of which is the portion of that excess amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and”;

(4) by striking out the fourth paragraph.

(2) Subsection 1 applies from the taxation year 2008.

**344.** (1) The Act is amended by inserting the following sections after section 1029.8.116.5:

**“1029.8.116.5.0.1.** An individual who, for a taxation year, is an eligible individual to whom the second paragraph applies and is resident in Québec at the end of 31 December of the year is deemed, subject to the fourth paragraph, to have paid to the Minister, on the individual’s balance-day for the year, on account of the individual’s tax payable for the year, provided that the individual makes an application to that effect, in the prescribed form containing prescribed information, in the fiscal return the individual is required to file for the year under section 1000, or would be required to so file if tax were payable for the year by the individual, the amount determined by the formula

$$(A \times B) - (10\% \times C).$$

This paragraph applies, for the year, to an eligible individual if

(a) the eligible individual receives in the year, or has received in any of the five preceding years, because of the individual’s physical or mental condition, a social solidarity allowance under Chapter II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), other than a special benefit paid under section 48 of the Individual and Family Assistance Regulation made by Order in Council 1073-2006 (2006, G.O. 2, 3877), as amended, or a severely limited capacity for employment allowance under Chapter I of Title I of the Act respecting income support, employment assistance and social solidarity (chapter S-32.001), as that Act read before being replaced, other than a special benefit paid under section 50 of the Regulation respecting income support made by Order in Council 1011-99 (1999, G.O. 2, 2881), as it read before being replaced;

(b) the eligible individual’s eligible spouse for the year receives in the year, or has received in any of the five preceding years, because of the spouse’s physical or mental condition, an allowance referred to in subparagraph *a*; or

(c) the eligible individual or the eligible individual’s eligible spouse for the year is a person in respect of whom subparagraphs *a* to *d* of the first paragraph of section 752.0.14 apply for the year.

In the formula in the first paragraph,

(a) A is

i. in the case where the eligible individual does not have an eligible spouse for the year but has a dependant whom the eligible individual designates for the year in the prescribed form, 25%,

ii. in the case where the eligible individual has an eligible spouse for the year and a dependant whom the eligible individual designates for the year in the prescribed form, 20%, and

iii. in any other case, 9%;

(b) B is

i. in the case where the eligible individual does not have an eligible spouse for the year, the amount by which the lesser of the reduction threshold for the adjusted work premium, that is applicable for the year in respect of the eligible individual, and the eligible individual's work income for the year exceeds \$1,200, and

ii. in the case where the eligible individual has an eligible spouse for the year, the amount by which the lesser of the reduction threshold for the adjusted work premium, that is applicable for the year in respect of the eligible individual, and the aggregate of the eligible individual's work income for the year and the work income for the year of the eligible individual's eligible spouse for the year exceeds \$1,200; and

(c) C is the amount by which the eligible individual's total income for the year exceeds

i. the reduction threshold for the adjusted work premium, that is applicable for the year in respect of an eligible individual who does not have an eligible spouse for the year, and

ii. the reduction threshold for the adjusted work premium, that is applicable for the year in respect of an eligible individual who has an eligible spouse for the year.

For the purpose of computing the payments that an eligible individual for a taxation year is required to make under section 1025 or 1026, the individual is deemed to have paid to the Minister, on account of the individual's tax payable for the year under this Part, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the excess amount that corresponds to the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is an advance payment referred to in the second paragraph of section 1029.8.116.9, that the eligible individual, or the eligible individual's eligible spouse for the year, has received, or may reasonably expect to receive, for the year, less the aggregate of all amounts each of which is the portion of that excess amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and



(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.116.5.0.2.** An eligible individual who is resident in Québec at the end of 31 December of a taxation year is deemed, subject to the third paragraph, to have paid to the Minister, on the eligible individual’s balance-due day for the year, on account of the eligible individual’s tax payable for the year, provided that the eligible individual makes an application to that effect, in the prescribed form containing prescribed information, in the fiscal return the eligible individual is required to file for the year under section 1000, or would be required to so file if tax were payable for the year by the eligible individual, an amount equal to the product obtained by multiplying \$200 by the total number of months in that year each of which is a month (in this section and section 1029.8.116.9.1 referred to as an “eligible month”) in which the individual’s earned income is equal to or greater than \$200 and is a month included in a period of transition to work of the individual in respect of which the following conditions are met:

(a) the period of transition to work began in that year or in the preceding taxation year;

(b) the Minister of Employment and Social Solidarity confirms that during the 42-month period that precedes the first month of the individual’s period of transition to work that includes the eligible month, the individual received, for at least 36 months, a last resort financial assistance benefit under Title II of the Individual and Family Assistance Act (chapter A-13.1.1) or under Chapter I of Title I of the Act respecting income support, employment assistance and social solidarity (chapter S-32.001), as that Act read before being replaced; and

(c) the Minister of Employment and Social Solidarity confirms that, for the first month of the individual’s period of transition to work that includes the eligible month, the individual holds, under subparagraph 1 or 3 of the first paragraph of section 48 of the Individual and Family Assistance Regulation made by Order in Council 1073-2006 (2006, G.O. 2, 3877), as amended, a valid claim booklet issued by the Minister of Employment and Social Solidarity.

For the purpose of confirming that an individual meets the condition set out in subparagraph *b* of the first paragraph, the Minister of Employment and Social Solidarity shall not consider that the individual received a last resort financial assistance benefit for a particular month if

(a) for that month, the individual was a dependent child for the purposes of the Individual and Family Assistance Act or of the Act respecting income support, employment assistance and social solidarity, as that Act read before being replaced; or

(b) for that month, the individual received only a special benefit under section 48 of the Individual and Family Assistance Regulation or under section 50 of the Regulation respecting income support made by Order in Council 1011-99 (1999, G.O. 2, 2881), as it read before being replaced.

For the purpose of computing the payments that an eligible individual for a taxation year is required to make under section 1025 or 1026, the individual is deemed, unless the individual elects to have section 1029.8.116.9.1 apply for the year, to have paid to the Minister, on account of the individual's tax payable for the year under this Part, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**“1029.8.116.5.0.3.** For the purposes of sections 1029.8.116.5 to 1029.8.116.5.0.2, an eligible individual who was resident in Québec immediately before the eligible individual's death is deemed to be resident in Québec at the end of 31 December of the year in which the eligible individual died.”

(2) Subsection 1 applies from the taxation year 2008. However, when section 1029.8.116.5.0.1 of the Act applies to the year 2008,

(1) subparagraphs i and ii of subparagraph *b* of the third paragraph of that section are to be read as follows:

“i. in the case where the eligible individual does not have an eligible spouse for the year, the amount by which the lesser of \$12,346 and the eligible individual's work income for the year exceeds \$1,200, and

“ii. in the case where the eligible individual has an eligible spouse for the year, the amount by which the lesser of \$17,606 and the aggregate of the eligible individual's work income for the year and the work income for the year of the eligible individual's eligible spouse for the year exceeds \$1,200; and”;

(2) subparagraphs i and ii of subparagraph *c* of the third paragraph of that section are to be read as follows:

“i. in the case where the eligible individual does not have an eligible spouse for the year, \$12,346, and

“ii. in the case where the eligible individual has an eligible spouse for the year, \$17,606.”

**345.** (1) Section 1029.8.116.5.1 of the Act is amended

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

“**1029.8.116.5.1.** The Minister of Finance publishes annually in the *Gazette officielle du Québec* a notice setting out

(a) the amounts of the work premium reduction thresholds, referred to in subparagraphs i and ii of subparagraphs *b* and *c* of the second paragraph of section 1029.8.116.5, that are applicable for a taxation year and are determined according to the terms and conditions prescribed by regulation, and that are to be used in determining the amount that an eligible individual is deemed to have paid to the Minister on account of the individual’s tax payable for the year under section 1029.8.116.5; and

(b) the amounts of the reduction thresholds for the adjusted work premium, referred to in subparagraphs i and ii of subparagraphs *b* and *c* of the third paragraph of section 1029.8.116.5.0.1, that are applicable for a taxation year and are determined according to the terms and conditions prescribed by regulation, and that are to be used in determining the amount that an eligible individual is deemed to have paid to the Minister on account of the individual’s tax payable for the year under section 1029.8.116.5.0.1.”;

(2) by inserting “and of the reduction thresholds for the adjusted work premium” after “reduction thresholds” in the second paragraph.

(2) Subsection 1 applies from the taxation year 2009.

**346.** (1) The Act is amended by inserting the following section after section 1029.8.116.5.1:

“**1029.8.116.5.2.** An eligible individual may not be deemed to have paid an amount to the Minister under any of sections 1029.8.116.5 to 1029.8.116.5.0.2 for a taxation year if, at the end of 31 December of the year or, if the eligible individual died in the year, immediately before the eligible individual’s death, the eligible individual was confined to a prison or similar institution and had been so confined during the year for one or more periods totalling more than six months.”

(2) Subsection 1 applies from the taxation year 2008.

**347.** (1) Section 1029.8.116.8 of the Act, amended by section 479 of chapter 5 of the statutes of 2009, is again amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“1029.8.116.8.** For the purposes of subparagraph *a* of the second paragraph of section 1029.8.116.5 or subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1, an eligible individual for a taxation year has a dependant whom the eligible individual may designate for the year in the prescribed form referred to in that subparagraph *a*, if that person is, during the year, a child of the eligible individual or of the eligible individual’s eligible spouse for the year and”.

(2) Subsection 1 applies from the taxation year 2008.

**348.** (1) The Act is amended by inserting the following sections after section 1029.8.116.8:

**“1029.8.116.8.1.** For the purposes of subparagraph *a* of the second paragraph of section 1029.8.116.5 and subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1, an eligible individual for a taxation year may not designate a person as being a dependant for the year if, at the end of 31 December of the year or, if the person died in the year, immediately before the person’s death, that person was confined to a prison or similar institution and had been so confined during the year for one or more periods totalling more than six months.

**“1029.8.116.8.2.** For the purposes of the definition of “eligible spouse” in section 1029.8.116.1 and sections 1029.8.116.5.2 and 1029.8.116.8.1, a person who has been allowed, in a taxation year, to be temporarily absent from a prison or a similar institution to which the person has been confined is deemed to be confined to that prison or similar institution during each day of the year during which the person has been so allowed to be temporarily absent.”

(2) Subsection 1 applies from the taxation year 2008.

**349.** (1) Section 1029.8.116.9 of the Act is amended

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

**“1029.8.116.9.** If, on or before 1 September of a taxation year, an individual applies to the Minister, in the prescribed form containing the prescribed information referred to in the first paragraph of either of sections 1029.8.116.5 and 1029.8.116.5.0.1, the Minister may pay in advance, according to the terms and conditions provided for in the second paragraph, an amount (in this section referred to as the “amount of the advance relating to the work premium”) equal to the product obtained by multiplying the percentage specified in the third paragraph by the amount that the individual considers to be the amount that the individual will be deemed to have paid to the Minister, under that first paragraph, on account of the individual’s tax payable for the year, if”;

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

“(b) the individual is not a person in respect of whom another individual is entitled, for the year, to an amount deemed under section 1029.8.61.18 to be an overpayment of the other individual’s tax payable, unless the individual is 18 years of age or over on the first day of the month of the application;”;

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

“(e) the amount that the individual considers to be the amount that the individual will be deemed to have paid to the Minister on account of the individual’s tax payable for the year, under the first paragraph of either of sections 1029.8.116.5 and 1029.8.116.5.0.1, is greater than

i. if the individual has a dependant who meets the conditions set out in section 1029.8.116.8 to be designated for the purposes of subparagraph *a* of the second paragraph of section 1029.8.116.5 or subparagraph *a* of the third paragraph of section 1029.8.116.5.0.1, \$500, and

ii. in any other case, \$300; and”;

(4) by adding the following subparagraph after subparagraph *e* of the first paragraph:

“(f) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution situated in Québec.”;

(5) by inserting the following paragraph after the second paragraph:

“The percentage to which the first paragraph refers is 50% if subparagraph *i* of subparagraph *e* of that paragraph applies, and 75% in any other case.”;

(6) by striking out the fifth paragraph.

(2) Subsection 1 applies from the taxation year 2009.

**350.** (1) The Act is amended by inserting the following sections after section 1029.8.116.9:

**“1029.8.116.9.1.** If an individual applies to the Minister of Employment and Social Solidarity for a taxation year, in the form prescribed by that Minister and containing prescribed information, and if that Minister, after being satisfied that the conditions set out in subparagraphs *b* and *c* of the first paragraph of section 1029.8.116.5.0.2 are met in respect of any of the individual’s periods of transition to work that include an eligible month, notifies the Minister of Revenue, the latter Minister may pay in advance,

according to the terms and conditions provided for in the second paragraph, an amount (in this section referred to as the “amount of the advance relating to the supplement”) equal to the amount that the individual considers to be the amount that the individual will be deemed to have paid to the Minister, under that first paragraph, on account of the individual’s tax payable for a taxation year for which the application is made, if

- (a) the individual is resident in Québec at the time of the application;
- (b) the individual is not a person in respect of whom another individual is entitled, for the year, to an amount deemed under section 1029.8.61.18 to be an overpayment of the other individual’s tax payable, unless the individual is 18 years of age or over on the first day of the month of the application;
- (c) at the time of the application, the individual is described in any of paragraphs *a* to *d* of section 1029.8.116.2;
- (d) at the time of the application, the individual is performing the duties of an office or employment, or is carrying on a business, alone or as a partner actively engaged in the business; and
- (e) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution situated in Québec.

The terms and conditions of payment of the amount of the advance relating to the supplement to which the first paragraph refers are as follows:

- (a) for any eligible month that precedes the month in which the individual filed the application, the Minister shall pay to the individual, on or before the 15th day of the month that follows the month in which the application was filed, an amount equal to the product obtained by multiplying \$200 by the number of those eligible months; and
- (b) for each of the other eligible months, the Minister shall pay to the individual an amount of \$200 on or before the 15th day of the following month.

The Minister of Employment and Social Solidarity shall notify the Minister on becoming aware that the individual’s period of transition to work has ended because the individual is again receiving a last resort financial assistance benefit under Title II of the Individual and Family Assistance Act (chapter A-13.1.1).

In addition, the individual shall notify the Minister with dispatch of any event that may affect the amount of the advance relating to the supplement and, if the individual does not so notify the Minister, the Minister may suspend, reduce or cease the payment of the advance.

**“1029.8.116.9.2.** No individual may be deemed to have paid an amount to the Minister for a taxation year under section 1029.8.116.5 if the individual or the individual’s eligible spouse for the year is deemed to have paid an amount to the Minister for the year under section 1029.8.116.5.0.1.”

(2) Subsection 1 applies from the taxation year 2008. However, when section 1029.8.116.9.1 of the Act applies to the taxation year 2008, subparagraph *a* of the second paragraph is to be read as follows:

“(a) for the eligible months that precede the month in which the individual filed the application, the Minister shall pay to the individual an amount equal to the product obtained by multiplying \$200 by the number of those eligible months, according to the following terms and conditions:

i. on 15 September 2008, if the individual filed the application before 1 September 2008, and

ii. otherwise, on the 15th day of the month that follows the month in which the application was filed; and”.

**351.** (1) Section 1029.8.116.10 of the Act is amended by replacing “section 1029.8.116.5” by “any of sections 1029.8.116.5 to 1029.8.116.5.0.2”.

(2) Subsection 1 applies from the taxation year 2008.

**352.** (1) Section 1029.8.116.11 of the Act is amended by replacing “section 1029.8.116.5” in the first paragraph by “section 1029.8.116.5 or 1029.8.116.5.0.1”.

(2) Subsection 1 applies from the taxation year 2008.

**353.** (1) Section 1034.1 of the Act is amended by inserting the following subsection after subsection 2:

“(2.0.1) If a taxpayer is deemed under section 467.2 to have received at any time an amount out of or under an annuity that is a qualifying trust annuity with respect to the taxpayer, the taxpayer, the annuitant under the annuity and the policyholder are solidarily liable to pay the part of the taxpayer’s tax under this Part for the taxation year of the taxpayer that includes that time that is equal to the amount by which that tax exceeds the tax that would have been computed in respect of the taxpayer for the year if no amount were deemed under section 467.2 to have been received by the taxpayer out of or under the annuity in the year.”

(2) Subsection 1 applies in respect of an assessment made after 31 December 2005.

**354.** (1) The Act is amended by inserting the following section after section 1034.9, enacted by section 485 of chapter 5 of the statutes of 2009:

“**1034.10.** If, in computing taxable income for a taxation year, a taxpayer is required to include an amount in respect of a disability assistance payment, within the meaning assigned by section 905.0.3, that is deemed under subparagraph *b* or *c* of the first paragraph of section 905.0.20 to have been made at a particular time from a registered disability savings plan, the taxpayer and each holder, within the meaning assigned by section 905.0.3, of the plan immediately after the particular time are solidarily liable to pay a part of the taxpayer’s tax under this Part for that taxation year that is equal to the amount determined by the formula

A – B.

In the formula in the first paragraph,

(a) A is the amount of the taxpayer’s tax under this Part for the year; and

(b) B is the amount that would be the taxpayer’s tax under this Part for the year if no disability assistance payment were deemed by subparagraph *b* or *c* of the first paragraph of section 905.0.20 to have been made from a registered disability savings plan at a particular time.

However, this section limits neither the liability of the taxpayer under any other provision of this Act, nor the liability of any holder for the interest that the holder is liable to pay under this Act on an assessment in respect of an amount that the holder is liable to pay because of this section.”

(2) Subsection 1 applies from the taxation year 2008.

**355.** (1) Section 1035 of the Act, replaced by section 486 of chapter 5 of the statutes of 2009, is amended

(1) by inserting “an annuitant or policyholder in respect of any amount payable under subsection 2.0.1 of section 1034.1,” before “a person in respect of any amount payable by that person under subsection 2.1”;

(2) by replacing “or a beneficiary in respect of any amount payable under section 1034.8,” by “, a beneficiary in respect of any amount payable under section 1034.8 or a holder in respect of any amount payable under section 1034.10,”.

(2) Paragraph 1 of subsection 1 applies in respect of an assessment made after 31 December 2005.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2008.



**356.** (1) Section 1036 of the Act, replaced by section 486 of chapter 5 of the statutes of 2009, is again replaced by the following section:

**“1036.** If a transferor and a transferee, an annuitant and an individual, a taxpayer and another person, a trust and a beneficiary or a taxpayer and a holder are, under any of sections 1034 to 1034.0.0.3, 1034.1 to 1034.3, 1034.4, 1034.6, 1034.8 and 1034.10, solidarily liable in respect of all or part of a liability of the transferor referred to in section 1034 (in this section referred to as the “transferor concerned”), the transferee referred to in section 1034.0.0.3 (in this section referred to as the “transferee concerned”), the annuitant, the taxpayer or the trust, as the case may be, the following rules apply:

(a) a payment by, and on account of the liability of, the transferee referred to in section 1034 (in this section referred to as the “other transferee”), the transferor referred to in section 1034.0.0.3 (in this section referred to as the “other transferor”), the individual, the other person, the beneficiary or the holder, as the case may be, discharges, up to the amount of the payment, the solidary liability; and

(b) a payment by, and on account of the liability of, the transferor concerned, the transferee concerned, the annuitant, the taxpayer or the trust, discharges the liability of the other transferee, the other transferor, the individual, the other person, the beneficiary or the holder, as the case may be, only to the extent that the payment operates to reduce the liability of the transferor concerned, the transferee concerned, the annuitant, the taxpayer or the trust to an amount less than the amount in respect of which the other transferee, the other transferor, the individual, the other person, the beneficiary or the holder is solidarily liable under any of sections 1034 to 1034.0.0.3, 1034.1 to 1034.3, 1034.4, 1034.6, 1034.8 and 1034.10.”

(2) Subsection 1 applies from the taxation year 2008.

**357.** (1) Section 1044 of the Act is amended by replacing “and *d.1.1* to *f*” in the first paragraph by “, *d.1.1* and *f*”.

(2) Subsection 1 has effect from 14 March 2008.

**358.** (1) Section 1049.14 of the Act is replaced by the following section:

**“1049.14.** Every qualified cooperative, within the meaning of the cooperative investment plan adopted under the Act respecting the Ministère du Développement économique, de l’Innovation et de l’Exportation (chapter M-30.01), that redeems a qualifying security without complying with the requirements of the plan incurs a penalty equal to 50% of the amount of the qualifying securities so redeemed, unless the redemption is an exchange operation described in the second paragraph.

The exchange operation to which the first paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements set out in paragraphs 3 and 5 of section 6 of the plan.”

(2) Subsection 1 applies in respect of a redemption made after 20 June 2008.

**359.** (1) Section 1049.14.0.1 of the Act is amended

(1) by replacing “an allowable redemption or repayment that complies with the rules set out in sections 2 and 7 of that Act” in the first paragraph by “an allowable redemption or repayment that complies with the rules set out in sections 2 and 7 of that Act or an exchange operation described in the third paragraph”;

(2) by adding the following paragraph after the second paragraph:

“The exchange operation to which the first paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements set out in paragraphs 3 and 4 of section 6 of that Act.”

(2) Subsection 1 applies in respect of a redemption or repayment made after 20 June 2008. In addition, when a redemption or repayment is made after 20 June 2008 in relation to a qualifying security, within the meaning of section 965.39.1 of the Act, issued before 24 March 2006, section 1049.14.0.1 of the Act is to be read as follows:

**“1049.14.0.1.** Every qualified cooperative or qualified federation of cooperatives, within the meaning of section 965.39.1, that redeems or repays a qualifying security, within the meaning of that section, without complying with the period specified in paragraph 4 of section 6 of the Cooperative Investment Plan Act (chapter R-8.1.1) incurs a penalty equal to 30% of the amount of the qualifying securities so redeemed or repaid, unless the redemption or repayment is an exchange operation described in the second paragraph.

The exchange operation to which the first paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements set out in paragraphs 3 and 4 of section 6 of that Act.”

**360.** (1) Section 1052 of the Act, amended by section 491 of chapter 5 of the statutes of 2009, is again amended by inserting “or of section 1029.8.36.166.47” after “of Title III” in the portion before paragraph *a*.

(2) Subsection 1 has effect from 14 March 2008.

**361.** (1) The Act is amended by inserting the following section after section 1053.0.1:

“**1053.0.1.1.** If the amount of an overpayment by a corporation for a taxation year, as a consequence of the application for the year of section 1029.8.36.166.47 in relation to the unused portion of the tax credit of the corporation for a subsequent year, is refunded to, or applied to another liability of, the corporation, interest on the overpayment is to be paid to the corporation for the period ending on the day the overpayment is refunded or applied and beginning on the forty-sixth day following the day the prescribed form referred to in that section is filed with the Minister.”

(2) Subsection 1 has effect from 14 March 2008.

**362.** (1) The Act is amended by inserting the following section after section 1055.1:

“**1055.1.1.** For the purposes of subparagraph ii of paragraph *a* of section 1055.1, if an amount was deducted under section 725.2, as a consequence of the application of section 725.2.0.1, in computing a taxpayer’s taxable income for the year in which the taxpayer died, that subparagraph ii is to be read as if “1/4” was replaced by “50%”.”

(2) Subsection 1 applies in respect of a circumstance or event as a consequence of which a benefit is deemed to have been received by an individual under section 52.1 of the Act, in respect of rights under an agreement referred to in section 48 of the Act and entered into after 13 March 2008.

**363.** (1) Section 1065.1 of the Act is replaced by the following section:

“**1065.1.** Despite sections 1063 to 1065, if the registration of a charity is, for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), revoked under paragraph *c* of subsection 4 of section 149.1 of that Act or under subsection 3 of section 168 of that Act, or annulled under subsection 23 of section 149.1 of that Act, the registration of that charity is deemed to be revoked or annulled for the purposes of this Act and the regulations.”

(2) Subsection 1 applies to a taxation year of a private foundation that begins after 18 March 2007.

**364.** (1) Section 1086.9 of the Act is amended by inserting the following definition in alphabetical order:

““eligible spouse” of an individual for a taxation year means the person who is the individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4;”.

(2) Subsection 1 applies from the taxation year 2008.

**365.** (1) Section 1086.10 of the Act is amended by adding the following paragraph:

“If applicable, the individual and the individual’s eligible spouse for the year are solidarily liable for the payment of the tax payable under the first paragraph and, in that respect, a payment by the individual affects the liability of the eligible spouse only to the extent that the payment operates to reduce the individual’s liability to an amount less than the amount in respect of which the eligible spouse is solidarily liable under this paragraph.”

(2) Subsection 1 applies from the taxation year 2008.

**366.** (1) The heading of Part I.3.1 of the Act is replaced by the following heading:

“TAX RELATING TO ADVANCE PAYMENTS OF THE CREDITS TO INCREASE THE INCENTIVE TO WORK”.

(2) Subsection 1 applies from the taxation year 2008.

**367.** (1) Section 1086.12.1 of the Act is amended by replacing the definition of “eligible spouse” by the following definition:

““eligible spouse” of an eligible individual for a taxation year means the person who is the eligible individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4 and who, at the end of 31 December of the year or, if the person died in the year, immediately before the person’s death, was resident in Québec and has not been confined to a prison or similar institution during the year for one or more periods totalling more than six months;”.

(2) Subsection 1 applies from the taxation year 2008.

**368.** (1) Section 1086.12.2 of the Act is amended by replacing “section 1029.8.116.9” in the first paragraph by “section 1029.8.116.9 or 1029.8.116.9.1”.

(2) Subsection 1 applies from the taxation year 2008.

**369.** (1) Section 1101 of the Act is amended by replacing the second paragraph by the following paragraph:

“The first paragraph does not apply to a purchaser if

(a) a certificate has been issued to the purchaser by the Minister under section 1100 in respect of the property;

(b) section 1101.1 applies to the acquisition; or

(c) after reasonable inquiry, the purchaser had no reason to believe that the vendor was not resident in Canada.”

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**370.** (1) The Act is amended by inserting the following sections after section 1101:

**“1101.1.** This section applies to the acquisition of a property by a person (in this section referred to as the “purchaser”) from a person not resident in Canada (in this section referred to as the “vendor”) if

(a) the purchaser concludes after reasonable inquiry that the vendor is, under a tax agreement, within the meaning of section 1, that Canada has with a particular country, a person resident in the particular country;

(b) the property would be tax-agreement-protected property, within the meaning of section 1, of the vendor if the vendor were, under the tax agreement referred to in paragraph *a*, a person resident in the particular country; and

(c) the purchaser provides notice in accordance with section 1101.2 in respect of the acquisition.

**“1101.2.** A person (in this section referred to as the “purchaser”) who acquires a property from a person not resident in Canada (in this section referred to as the “vendor”) provides notice in accordance with this section if the purchaser sends to the Minister, on or before the day that is 30 days after the date of the acquisition, a notice setting out

(a) the date of the acquisition of the property;

(b) the name and address of the vendor;

(c) a description of the property sufficient to identify it;

(d) the amount paid or payable by the purchaser for the property; and

(e) the name of the country with which Canada has entered into a tax agreement, within the meaning of section 1, under which the property is a tax-agreement-protected property, within the meaning of that section, for the purposes of section 1101.1 or 1102.5.”

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**371.** Section 1102 of the Act, amended by section 503 of chapter 5 of the statutes of 2009, is again amended by replacing “This section” in the second paragraph by “The first paragraph”.

**372.** (1) Section 1102.2 of the Act is amended

(1) by replacing “visé dans” wherever it appears in the portion of the first paragraph before subparagraph *b* in the French text by “visé à”;

(2) by striking out “et” at the end of subparagraph *b* of the first paragraph in the French text;

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

“The first paragraph does not apply to a taxpayer if section 1101.1 applies to the acquisition or if, after reasonable inquiry, the taxpayer had no reason to believe that the person from whom the taxpayer acquired the property was not resident in Canada.”

(2) Paragraph 3 of subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**373.** (1) Section 1102.4 of the Act, amended by section 505 of chapter 5 of the statutes of 2009, is again amended by adding the following paragraph after paragraph *h*:

“(i) a property that is, at the time of its disposition, a tax-agreement-exempt property, within the meaning of section 1102.5, of the person.”

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**374.** (1) The Act is amended by inserting the following section after section 1102.4:

**1102.5.** For the purposes of paragraph *i* of section 1102.4, a property is a tax-agreement-exempt property of a person not resident in Canada, at the time of that person’s disposition of the property to another person (in this section referred to as the “purchaser”), if

(a) it is, at that time, a tax-agreement-protected property, within the meaning of section 1, of the person not resident in Canada; and

(b) if the purchaser and the person not resident in Canada are related at that time, the purchaser provides notice in accordance with section 1101.2 in respect of the disposition.”

(2) Subsection 1 applies in respect of a disposition of a property made after 31 December 2008.

**375.** (1) The Act is amended by inserting the following section after section 1129.0.0.4:

**“1129.0.0.4.1.** In Parts III.0.1 to III.10.10, the following rules apply in respect of a taxpayer for a taxation year if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the taxpayer and a given partnership for a given fiscal period of the given partnership, and if the taxpayer is deemed to have paid an amount to the Minister for a preceding taxation year under Chapter III.1 of Title III of Book IX of Part I, in respect of a cost, an expenditure or expenses incurred by that given partnership in a fiscal period of that given partnership that precedes the given fiscal period (in this section referred to as the “preceding fiscal period”):

(a) the taxpayer is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the taxpayer’s taxation year in which ends the fiscal period of the interposed partnership of which the taxpayer is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the taxpayer is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period;

(b) the agreed proportion in respect of the taxpayer for the given partnership’s given fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership’s given fiscal period, or

ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period; and

(c) if, at a particular time in the given fiscal period, an amount relating to a cost, an expenditure or expenses that the given partnership has incurred in the preceding fiscal period is, or is deemed to be under this subparagraph, directly or indirectly, refunded or otherwise paid to an interposed partnership,

or allocated to a payment to be made by it, the share in that amount of each of the members of that interposed partnership at the end of the interposed partnership's interposed fiscal period, that is equal to the agreed proportion of that amount in respect of that member for the interposed partnership's interposed fiscal period, is deemed to be, at the particular time, so refunded or paid to that member or allocated to a payment to be made by that member.”

(2) Subsection 1 has effect from 20 December 2006. However, when section 1129.0.0.4.1 of the Act applies before 4 June 2009, the portion of paragraph *b* before subparagraph *i* is to be read as follows, except for the purposes of Parts III.9.0.1 and III.9.0.2 of the Act:

“(b) the taxpayer's share of the income or loss of the given partnership for the given fiscal period is deemed to be equal to the proportion of that income or loss—on the assumption that, if the income and loss of the given partnership for the given fiscal period are nil, the given partnership's income for the given fiscal period is equal to \$1,000,000—that is represented by the proportion obtained by multiplying the agreed proportion in respect of the taxpayer for the interposed fiscal period of the interposed partnership of which the taxpayer is directly a member, by”.

**376.** Section 1129.0.3 of the Act, amended by section 516 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “the taxpayer's share of the income or loss of the particular partnership for the particular partnership's fiscal period that ends in the taxation year and the particular partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions of the second paragraph by “the agreed proportion in respect of the taxpayer for the particular partnership's fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”:

- the portion before subparagraph *a*;
- the portion of subparagraph *a* before subparagraph *i*;

(2) by replacing “the taxpayer's share of the income or loss of the particular partnership for the particular partnership's fiscal period that ends in the preceding taxation year and the particular partnership's income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the particular partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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



“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**377.** Section 1129.0.5 of the Act, amended by section 518 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”:

- the portion before subparagraph *a*;
- the portion of subparagraph *a* before subparagraph *i*;

(2) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**378.** Section 1129.0.7 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“*ii.* the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**379.** Section 1129.0.9 of the Act, amended by section 520 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “the taxpayer’s share of the income or loss of the particular partnership for the particular partnership’s fiscal period that ends in the taxation year and the particular partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the following provisions of the second paragraph by “the agreed proportion in respect of the taxpayer for the particular partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”:

— the portion before subparagraph *a*;

— the portion of subparagraph *a* before subparagraph *i*;

(2) by replacing “the taxpayer’s share of the income or loss of the particular partnership for the particular partnership’s fiscal period that ends in the preceding taxation year and the particular partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the particular partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**380.** Section 1129.0.9.1 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) that is determined by multiplying the amount refunded, paid or allocated by the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the repayment year.”

**381.** Section 1129.0.13 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**382.** Section 1129.0.17 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the particular year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of the partnership that ends in the repayment year” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the particular year were the same as that for the partnership’s fiscal period that ends in the repayment year”;

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

“(2) the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the particular taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of a partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the partnership’s fiscal period that ends in the repayment year” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for a partnership’s fiscal period that ends in the preceding taxation year were the same as that for the partnership’s fiscal period that ends in the repayment year”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the repayment year.”

**383.** Section 1129.0.21 of the Act is amended by striking out “, except for Division II.4.3 of Chapter III.1 of Title III of Book IX” in the portion before paragraph *a*.

**384.** Section 1129.2 of the Act is amended by replacing subparagraph *a.1* of the first paragraph by the following subparagraph:

“(a.1) where the situations described in subparagraphs *i* and *ii* of subparagraph *a* are not encountered in the particular year in relation to the property nor have been in any preceding taxation year and the corporation ceases in the particular year to be recognized as a qualified corporation not dealing at arm’s length with another corporation that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission because the Société de développement des entreprises culturelles revokes in the particular year the qualification certificate referred to in paragraph *a.3* of the definition of “qualified corporation” in the first paragraph of section 1029.8.34 that was issued to the corporation, for any given taxation year, the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.35 in respect of the property for the given taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for the given taxation year; and”.

**385.** Section 1129.4.0.6 of the Act is amended by replacing subparagraph *a.1* of the first paragraph by the following subparagraph:

“(a.1) where subparagraph *a* does not apply in the particular year or in a preceding taxation year, in relation to the property, and the corporation ceases in the particular year to be recognized as a qualified corporation not dealing at arm’s length with another corporation that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission because the Société de développement des entreprises culturelles revokes in the particular year the qualification certificate referred to in paragraph *f* of the definition of “excluded corporation” in the first paragraph of section 1029.8.36.0.0.4 that was issued to the corporation, for any given taxation year, the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.0.5 in respect of the property for the given taxation year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under this Part in respect of the property for the given taxation year; and”.

**386.** Section 1129.4.2.1 of the Act is amended by striking out “except Division II.6.0.1 of Chapter III.1 of Title III of Book IX,”.

**387.** Section 1129.4.3.3 of the Act is amended by striking out “other than Division II.6.0.1.1 of Chapter III.1 of Title III of Book IX,”.

**388.** (1) The Act is amended by inserting the following after section 1129.4.3.35:

#### “PART III.1.1.9

##### “SPECIAL TAX RELATING TO THE CREDIT FOR THE DEVELOPMENT OF E-BUSINESS

“**1129.4.3.36.** In this Part, “eligible employee”, “qualified wages” and “wages” have the meaning assigned by the first paragraph of section 1029.8.36.0.3.79.

“**1129.4.3.37.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.80, on account of its tax payable for a particular taxation year under Part I, in relation to qualified wages incurred in the particular taxation year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.80 or 1029.8.36.0.3.82, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.80 or 1029.8.36.0.3.82, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

**“1129.4.3.38.** For the purposes of Part I, except Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX, tax paid at any time by a corporation to the Minister under section 1129.4.3.37, in relation to qualified wages, is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation.

**“1129.4.3.39.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 14 March 2008.

**389.** Section 1129.4.15 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**390.** Section 1129.4.20 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**391.** Section 1129.4.25 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**392.** Section 1129.12.10 of the Act is amended

(1) by replacing “in” in the portion before paragraph *a* by “for”;

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

“(a) file with the Minister, without notice or demand, a return under this Part for that year in the prescribed form containing prescribed information;”;

(3) by replacing “statement” in paragraph *b* by “return”.

**393.** Section 1129.12.15 of the Act is amended

(1) by replacing “in” in the portion before paragraph *a* by “for”;

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

“(a) file with the Minister, without notice or demand, a return under this Part for that year in the prescribed form containing prescribed information;”;

(3) by replacing “statement” in paragraph *b* by “return”.

**394.** Section 1129.12.19 of the Act is amended by replacing subparagraph *c* of the second paragraph by the following subparagraph:

“(c) C is the product obtained by multiplying the cost of the qualifying security to the partnership by the agreed proportion in respect of the individual for the fiscal period referred to in the first paragraph.”



**395.** Section 1129.18 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

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

“(b) estimate, in the return, the amount of its tax payable under this Part for the year; and”.

**396.** Section 1129.22 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

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

“(b) estimate, in the return, the amount of its tax payable under this Part for the year; and”.

**397.** Section 1129.23.3 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

(2) by replacing “statement” in paragraph *b* by “return”.

**398.** Section 1129.23.4.3 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

(2) by replacing “statement” in paragraph *b* by “return”.

**399.** Section 1129.23.4.7 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

(2) by replacing “statement” in paragraph *b* by “return”.

**400.** Section 1129.23.7 of the Act is amended

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

“(a) file with the Minister, without notice or demand, a return under this Part for the year in the prescribed form containing prescribed information;”;

(2) by replacing “statement” in paragraph *b* by “return”.

**401.** Section 1129.27.4.3 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) file with the Minister, without notice or demand, a return under this Part for that particular capitalization period in the prescribed form containing prescribed information;”.

**402.** (1) Section 1129.33.2 of the Act is amended by replacing “130R71” in subparagraph 2 of subparagraph *i* of paragraph *a* by “130R149”.

(2) Subsection 1 has effect from 4 March 2009.

**403.** (1) Section 1129.33.3 of the Act is amended

(1) by replacing “130R71” in subparagraph 2 of subparagraph *i* of subparagraph *a* of the first paragraph by “130R149”;

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

“For the purposes of the first paragraph, the taxpayer’s share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the particular taxation year.”

(2) Paragraph 1 of subsection 1 has effect from 4 March 2009.

**404.** Section 1129.33.4 of the Act is amended by striking out “except Division II.4.1 of Chapter III.1 of Title III of Book IX,” in the portion before paragraph *a*.

**405.** Section 1129.36 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, the corporation’s share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the corporation for the partnership’s fiscal period that ends in the particular taxation year.”

**406.** Section 1129.40 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, the taxpayer’s share of an amount refunded, paid or allocated is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s particular fiscal period.”

**407.** (1) The Act is amended by inserting the following after section 1129.41:

**“PART III.9.0.1**

**“SPECIAL TAX RELATING TO THE CREDIT FOR LABOUR TRAINING IN THE MANUFACTURING SECTOR**

**“1129.41.0.1.** In this Part, “eligible training expenditure” has the meaning assigned by the first paragraph of section 1029.8.33.11.1.

**“1129.41.0.2.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.33.11.3, on account of its tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.3 or 1029.8.33.11.7, in relation to the eligible training expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.3 or 1029.8.33.11.7, in relation to the eligible training expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible training expenditure.

**“1129.41.0.3.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.33.11.4, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to an eligible training

expenditure of the partnership for the partnership's particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.33.11.4, 1029.8.33.11.8 and 1029.8.33.11.9, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.33.11.4, 1029.8.33.11.8 and 1029.8.33.11.9, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible training expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

**“1129.41.0.4.** For the purposes of Part I, except Division II.5.1.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time in respect of that expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.41.0.3, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.

**“1129.41.0.5.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.

#### **“PART III.9.0.2**

#### **“SPECIAL TAX RELATING TO THE CREDIT FOR FRANCIZATION IN THE WORKPLACE**

**“1129.41.0.6.** In this Part, “eligible training expenditure” has the meaning assigned by the first paragraph of section 1029.8.33.11.11.

**“1129.41.0.7.** Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.33.11.13, on account of its tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.13 or 1029.8.33.11.17, in relation to the eligible training expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.33.11.13 or 1029.8.33.11.17, in relation to the eligible training expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible training expenditure.

**“1129.41.0.3.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.33.11.14, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to an eligible training expenditure of the partnership for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the eligible training expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.33.11.14, 1029.8.33.11.18 and 1029.8.33.11.19, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.33.11.14, 1029.8.33.11.18 and 1029.8.33.11.19, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible training expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible training expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the eligible training expenditure, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph *i* of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

**“1129.41.0.9.** For the purposes of Part I, except Division II.5.1.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to an eligible training expenditure, is deemed to be an amount of assistance repaid at that time in respect of that expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.41.0.8, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.

**“1129.41.0.10.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1, when it enacts Part III.9.0.1 of the Act, has effect from 24 November 2007, and when it enacts Part III.9.0.2 of the Act, from 14 March 2008.

**408.** Section 1129.44 of the Act, amended by section 525 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “the corporation’s share of the income or loss of the particular partnership for that preceding fiscal period and the particular partnership’s income or loss for that preceding fiscal period were the same as those for the fiscal period of repayment” in the following provisions of the second paragraph by “the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment”:

— the portion before subparagraph *a*;

— the portion of subparagraph *a* before subparagraph *i*;

(2) by replacing “the corporation’s share of the income or loss of the particular partnership for the particular partnership’s fiscal period that ends in the preceding taxation year and the particular partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the particular partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**409.** Section 1129.44.2 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”



**410.** Section 1129.45.0.3 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for that preceding fiscal period and the partnership’s income or loss for that preceding fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the taxpayer for that preceding fiscal period were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**411.** Section 1129.45.3.3 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**412.** Section 1129.45.3.5.3 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**413.** Section 1129.45.3.5.9 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**414.** (1) Section 1129.45.3.30.2 of the Act is amended by replacing the portion of the first paragraph before subparagraph *b* by the following:

**“1129.45.3.30.2.** Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, on account of its tax payable under Part I, for any given taxation year, shall pay, for a particular taxation year, if Investissement Québec revokes in the particular year a qualification certificate issued, in relation to a calendar year that ended in the given taxation year, to the corporation in relation to a recognized business for the purposes of Division II.6.6.6.1 of Chapter III.1 of Title III of Book IX of Part I, a tax equal to the amount by which the amount that the corporation is deemed to have so paid to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, for the given taxation year, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have so paid to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, for the given taxation year if the revoked qualification certificate had not been issued to the corporation by Investissement Québec and if the period specified in any qualification certificate issued to the corporation in relation to an employee whose duties relate directly to activities of the corporation described in the revoked qualification certificate, were adjusted to take the revocation into account; and”.

(2) Subsection 1 has effect from 1 January 2008.

**415.** (1) Section 1129.45.3.30.3 of the Act is amended, in the first paragraph,

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

**“1129.45.3.30.3.** Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, on account of its tax payable under Part I, for any taxation year, shall pay, for a particular taxation year, a tax equal to the aggregate of the following amounts, unless section 1129.45.3.30.2 applies in respect of the corporation in relation to that taxation year:

(a) where the corporation pays, in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the corporation in respect of its base period, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2, determined in its respect, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the corporation, in respect of such an amount of assistance, as repayment in the particular taxation year or a preceding taxation year, and”;

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

“(b) where any other corporation pays, in the particular calendar year ending in the particular taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of the salary or wages paid to an employee by the other corporation in respect of its base period, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, determined in respect of the corporation, that relates to a calendar year preceding the particular calendar year ending in the particular taxation year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the aggregate of all amounts each of which is the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which a calendar year preceding the particular calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if the aggregate of all amounts each of which is an amount of assistance paid in respect of the salary or wages had been reduced by the aggregate of all amounts each of which is an amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and”;

(3) by replacing “section 1029.8.36.72.82.3” in the portion of subparagraph *c* before subparagraph i by “section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3”;

(4) by inserting “or 1029.8.36.72.82.3.3” after “section 1029.8.36.72.82.3” in subparagraph i of subparagraph *c*;

(5) by replacing “section 1029.8.36.72.82.3” in the portion of subparagraph *d* before subparagraph i by “section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3”;

(6) by inserting “or 1029.8.36.72.82.3.3” after “section 1029.8.36.72.82.3” in subparagraph i of subparagraph *d*;

(7) by replacing the portion of subparagraph *e* before subparagraph ii by the following:

“(e) where, in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by the corporation, that are included in computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 determined

in respect of the corporation in relation to a calendar year preceding the calendar year ending in the particular taxation year, other than salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3.2 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and”;

(8) by replacing the portion of subparagraph *f* before subparagraph ii by the following:

“(f) where, in the particular calendar year ending in the particular taxation year, an amount, in relation to a salary or wages paid to an employee by any other corporation, that are included in computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 determined in respect of the corporation in relation to a calendar year preceding the particular calendar year at the end of which the corporation was not associated with any qualified corporation carrying on a recognized business, other than salary or wages paid in respect of the base period of the corporation, is, directly or indirectly, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it, the amount by which the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for a taxation year in which the preceding calendar year ends, exceeds the aggregate of

i. the amount that the corporation would have been deemed to have paid to the Minister under section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 on account of its tax payable under Part I for the taxation year in which the preceding calendar year ends if every amount that was so refunded, paid or allocated at or before the end of the particular taxation year, in relation to the salary or wages, had been government assistance received by the corporation in the preceding calendar year and attributable to such a salary or wages, and”;

(9) by replacing “section 1029.8.36.72.82.3” in the portion of subparagraph *g* before subparagraph i by “section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3”;

(10) by inserting “or 1029.8.36.72.82.3.3” after “section 1029.8.36.72.82.3” in subparagraph *i* of subparagraph *g*.

(2) Subsection 1 has effect from 1 January 2008.

**416.** Section 1129.45.6 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, the taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the particular partnership’s fiscal period that ends in the particular taxation year.”

**417.** Section 1129.45.7.1 of the Act is amended by striking out “except for Division II.6.7 of Chapter III.1 of Title III of Book IX,”.

**418.** Section 1129.45.19 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“*ii.* the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**419.** Section 1129.45.24 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**420.** Section 1129.45.29 of the Act is amended

(1) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the taxation year were the same as that for the fiscal period of repayment; and”;



(3) by replacing “the taxpayer’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the taxpayer for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the taxpayer for the fiscal period of repayment.”

**421.** (1) The Act is amended by inserting the following after section 1129.45.41.11:

**“PART III.10.9.2**

**“SPECIAL TAX IN RESPECT OF THE CREDIT FOR INVESTMENTS  
RELATING TO MANUFACTURING AND PROCESSING EQUIPMENT**

**“1129.45.41.12.** In this Part, “eligible expenses” and “qualified property” have the meaning assigned by section 1029.8.36.166.40.

**“1129.45.41.13.** Every corporation that is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.43, 1029.8.36.166.46 and 1029.8.36.166.47, on account of its tax payable under Part I for a particular taxation year, in relation to its eligible expenses for the year in respect of a qualified property, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to the eligible expenses, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to the eligible expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the eligible expenses.

However, no tax is payable under this section, in relation to the eligible expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.15 applies in respect of the property for the repayment year or applied in respect of the property for a preceding taxation year.

**“1129.45.41.14.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.44, 1029.8.36.166.46 and 1029.8.36.166.47, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to the partnership’s eligible expenses, in respect of a qualified property, for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the eligible expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the eligible expenses, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the eligible expenses, were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment

ends, in relation to the eligible expenses, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

However, no tax is payable under this section, in relation to the eligible expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.16 applies in respect of the property for the taxation year in which the fiscal period of repayment ends or applied in respect of the property in a preceding taxation year.

**“1129.45.41.15.** Every corporation that, in relation to its eligible expenses in respect of a qualified property, is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.43, 1029.8.36.166.46 and 1029.8.36.166.47, on account of its tax payable under Part I for any taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph, if at any time between the corporation's filing-due date for the taxation year preceding the particular year and the day after the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1) applies, or, if it precedes the day that is the end of the period of 730 days, the filing-due date, for the particular year, of the purchaser that owns the property at the end of the particular year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property, or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.43, 1029.8.36.166.46, 1029.8.36.166.47 and 1029.8.36.166.55, in relation to its eligible expenses in respect of the qualified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.13, in relation to its eligible expenses in respect of the property, for a taxation year preceding the particular year.

**“1129.45.41.16.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.44, 1029.8.36.166.46 and 1029.8.36.166.47, on account of the corporation’s tax payable under Part I for any given taxation year in relation to its share of the partnership’s eligible expenses in respect of a qualified property in a fiscal period of the partnership that ends in the given year, shall pay, for a particular taxation year, the tax computed under the second paragraph, if at any time between the day that is six months after the end of the partnership’s fiscal period that ends in the taxation year preceding the particular year and the day after the earlier of the day that is the end of the period of 730 days following the beginning of the use of the qualified property by the first purchaser of the property or by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (R.R.Q., 1981, chapter I-3, r. 1) applies, and the day that is six months after the end of the partnership’s fiscal period that ends in the particular year, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used solely in Québec to earn income from a business carried on

(a) by the first purchaser of the property and if that time is also in the portion of that period in which the first purchaser owns the property, or

(b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and if that time is also in the portion of that period in which the subsequent purchaser owns the property.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.44, 1029.8.36.166.46, 1029.8.36.166.47, 1029.8.36.166.56 and 1029.8.36.166.57, in respect of the qualified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.14, in respect of the property, for a taxation year preceding the particular year.

**“1129.45.41.17.** For the purposes of Part I, except Division II.6.14.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time, under this Part, in relation to eligible expenses in

respect of a qualified property, is deemed to be an amount of assistance repaid at that time in respect of those expenses, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.45.41.14 or 1129.45.41.16, in the case of tax paid under that section; or

(b) the corporation, in any other case.

**“1129.45.41.18.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 if it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 14 March 2008. However, when the first paragraph of section 1129.45.41.15 or 1129.45.41.16 of the Act applies before 4 March 2009, it is to be read as if “130R149” was replaced wherever it appears by “130R71”.

**422.** Section 1129.45.44 of the Act is amended

(1) by replacing “the corporation’s share of the income or loss of the partnership for that preceding fiscal period and the partnership’s income or loss for that preceding fiscal period were the same as those for the fiscal period of repayment” in the portion of the second paragraph before subparagraph *a* by “the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment”;

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

“ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and”;

(3) by replacing “the corporation’s share of the income or loss of the partnership for the partnership’s fiscal period that ends in the preceding taxation year and the partnership’s income or loss for that fiscal period were the same as those for the fiscal period of repayment” in subparagraph *b* of the second paragraph by “the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment”;

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

“(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.”

**423.** (1) Section 1129.67 of the Act is amended by inserting the following definition in alphabetical order:

““individual” has the meaning assigned by Part I;”.

(2) Subsection 1 applies from the taxation year 2004.

**424.** (1) Section 1129.70 of the Act, enacted by section 534 of chapter 5 of the statutes of 2009, is amended

(1) by replacing “1086R23.3” and “1086R23.1” in the definition of “SIFT partnership balance-due day” in the first paragraph by “1086R80” and “1086R78”, respectively;

(2) by replacing paragraph *d* of the definition of “real estate investment trust” in the first paragraph by the following paragraph:

“(d) at no time in the year is the total fair market value of all properties held by the trust—each of which is a real or immovable property situated in Canada, cash, or a property described in paragraph *a* of the definition of “fully exempt interest” in subsection 3 of section 212 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)—less than 75% of the equity value of the trust at that time;”;

(3) by replacing “Title XX” in subparagraph *i* of subparagraph *b* of the second paragraph by “Title XXVII”.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 4 March 2009.

(3) Paragraph 2 of subsection 1 has effect from 1 January 2008.

**425.** (1) Section 1129.71 of the Act, enacted by section 534 of chapter 5 of the statutes of 2009, is amended by replacing “Title XX” in the fourth paragraph by “Title XXVII”.

(2) Subsection 1 has effect from 4 March 2009.

**426.** (1) Section 1129.73 of the Act, enacted by section 534 of chapter 5 of the statutes of 2009, is amended by replacing “1086R23.3” and “1086R23.1” by “1086R80” and “1086R78”, respectively.

(2) Subsection 1 has effect from 4 March 2009.

**427.** (1) Section 1130 of the Act, amended by section 535 of chapter 5 of the statutes of 2009, is again amended

(1) by replacing “attesting that the vessel is constructed or converted, as the case may be, in Québec and, where the vessel is constructed on behalf of the corporation, that the corporation is the first acquirer thereof” in the definition of “eligible vessel” by “for the purposes of this Part”;

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

““proportion of the manufacturing or processing activities” of a corporation for a taxation year means

(a) the proportion, expressed as a percentage, that the amount determined in respect of the corporation for the year under paragraph *a* of section 5200 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is of the amount determined in respect of the corporation for the year under paragraph *b* of section 5200 of those regulations; or

(b) 100%, if section 5201 of the Income Tax Regulations made under the Income Tax Act applies in respect of the corporation for the year;”;

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

““manufacturing corporation” for a taxation year means a corporation in respect of which the proportion of the manufacturing or processing activities for the year is at least 20%;”.

(2) Paragraphs 2 and 3 of subsection 1 apply to a taxation year that ends after 13 March 2008.

**428.** (1) Section 1135.3 of the Act, amended by section 541 of chapter 5 of the statutes of 2009, is again amended by replacing paragraph *a* by the following paragraph:

“(a) is acquired after 21 April 2005, but is not a property acquired pursuant to an obligation in writing entered into before 22 April 2005 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 21 April 2005, nor any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008;”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 13 March 2008.

**429.** (1) Section 1135.3.0.1 of the Act, enacted by section 542 of chapter 5 of the statutes of 2009, is amended by replacing paragraph *a* by the following paragraph:

“(a) is acquired after 20 February 2007, but is not a property acquired pursuant to an obligation in writing entered into before 21 February 2007 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 20 February 2007, nor any other property acquired after

13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008;”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 13 March 2008.

**430.** (1) Section 1135.3.1 of the Act, replaced by section 543 of chapter 5 of the statutes of 2009, is amended

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

“(a) is a property acquired after 23 March 2006 (other than a property described in paragraph *b*, a property acquired pursuant to an obligation in writing entered into before 24 March 2006 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 23 March 2006, or any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008) and that”;

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

“(b) is a property acquired after 23 November 2007 (other than a property acquired pursuant to an obligation in writing entered into before 24 November 2007 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 23 November 2007, or any other property acquired after 13 March 2008 that is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008) and that”.

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 13 March 2008.

**431.** Section 1135.5 of the Act is replaced by the following section:

“**1135.5.** For the purposes of sections 1135.1, 1135.2, 1135.4 and 1135.7.3, the share of a corporation or partnership that is a member of a particular partnership, for a fiscal period of that particular partnership, of an amount is equal to the agreed proportion of the amount in respect of the corporation or partnership for that fiscal period.”

**432.** (1) Section 1135.8 of the Act, amended by section 553 of chapter 5 of the statutes of 2009, is again amended by replacing “130R71” in the following provisions by “130R149”:



— the portion before paragraph *a*;

— paragraph *b*.

(2) Subsection 1 has effect from 4 March 2009.

**433.** (1) Section 1135.8.1 of the Act, amended by section 554 of chapter 5 of the statutes of 2009, is again amended by replacing “130R71” in the following provisions by “130R149”:

— the portion before paragraph *a*;

— paragraph *b*.

(2) Subsection 1 has effect from 4 March 2009.

**434.** (1) Section 1135.12 of the Act is replaced by the following section:

**“1135.12.** For the purposes of this Part, government assistance or non-government assistance does not include

(*a*) an amount deducted by a corporation under section 1135.1 or 1135.2 from its tax otherwise payable under this Part; or

(*b*) an amount deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) that can reasonably be attributed to the acquisition of a qualified property, within the meaning of subsection 9 of section 127 of that Act.”

(2) Subsection 1 applies in respect of costs incurred to acquire a property after 21 April 2005.

**435.** (1) Section 1137 of the Act is amended

(1) by striking out “, where the certificate attests that the eligible vessel is a vessel with a gross tonnage of at least 50 tons” in the portions of each of paragraphs *b.2* and *b.2.1* before their respective subparagraphs *i*;

(2) by replacing “130R71” in paragraph *b.4* by “130R149”.

(2) Paragraph 2 of subsection 1 has effect from 4 March 2009.

**436.** (1) Section 1137.0.0.2 of the Act is amended by inserting “and section 1138.2.6” after “section 1137” in subparagraphs *a* and *b* of the third paragraph.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**437.** Section 1137.0.1 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) if a corporation is a member of a partnership, the gross revenue of the partnership from a mineral resource owned or operated by it and its gross revenue are deemed to constitute, respectively, a gross revenue of the corporation from a mineral resource owned or operated by it and a gross revenue of the corporation, in a proportion equal to the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the taxation year of the corporation, and are deemed not to constitute income for the partnership.”

**438.** (1) Section 1137.4 of the Act is amended by replacing “130R71” in the following provisions of subparagraph *b* of the first paragraph by “130R149”:

- the portion before subparagraph *i*;
- subparagraph *ii*.

(2) Subsection 1 has effect from 4 March 2009.

**439.** (1) The Act is amended by inserting the following sections after section 1138.2.2:

“**1138.2.2.1.** For the purpose of determining the amount that a corporation may deduct, under section 1138.2.2, from its paid-up capital otherwise determined for a taxation year under this Title, the following rules apply if one or more other partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between that corporation and a given partnership that carries on a recognized business referred to in that section in any fiscal period of the given partnership:

(a) the corporation is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the corporation’s taxation year in which ends the fiscal period of the interposed partnership of which it is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the corporation is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph *i* at the end of the interposed partnership’s fiscal period in which the particular fiscal period ends; and

(b) subparagraph iii of subparagraph *d* of the second paragraph of section 1138.2.2 is to be read as if “the financial statements of the corporation” was replaced by “the financial statements of the corporation and of any other partnership of which the corporation is a member, or deemed to be a member under paragraph *a* of section 1138.2.2.1.”.

**“1138.2.2.2.** Section 1138.2.2.1 does not apply in respect of a corporation, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the corporation and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the corporation to be able to deduct, under section 1138.2.2, from its paid-up capital otherwise determined for a taxation year under this Title, an amount greater than the amount that the corporation could have so deducted for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of a corporation that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the corporation had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) If subsection 1 applies to a taxation year of a corporation because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the corporation on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part IV of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the corporation as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**440.** (1) The Act is amended by inserting the following section after section 1138.2.5:

**“1138.2.6.** A manufacturing corporation for a taxation year may deduct from its paid-up capital otherwise determined for the year under this Title, an amount equal to

(a) if the proportion of the manufacturing or processing activities of the corporation for the year is at least 50%, the corporation's paid-up capital for the year, determined before the application of this section; and

(b) if the proportion of the manufacturing or processing activities of the corporation for the year is less than 50%, the amount determined by the formula

$$A \times (B - 20\%) / 30\%.$$

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

(a) *A* is the corporation's paid-up capital for the year, determined before the application of this section; and

(b) *B* is the proportion of the manufacturing or processing activities of the corporation for the year.

Any amount otherwise deductible in computing the corporation's paid-up capital for the year under this Title, after the application of section 1138, is to be determined without reference to this section."

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008. However, when section 1138.2.6 of the Act applies to a taxation year that includes that date, it is to be read as if "an amount equal to" in the portion of the first paragraph before subparagraph *a* was replaced by "in the proportion that the number of days in the year that follow 13 March 2008 is of the number of days in the year, an amount equal to".

**441.** Section 1141.1.1 of the Act is amended by replacing the second paragraph by the following paragraph:

"For the purposes of subparagraph *b* of the first paragraph, the corporation's share of the value of corporeal property of a partnership is equal to the agreed proportion of the value in respect of the corporation for the partnership's fiscal period referred to in that subparagraph *b*."

**442.** Section 1141.1.2 of the Act is amended by replacing the second paragraph by the following paragraph:

"For the purposes of subparagraph *b* of the first paragraph, the corporation's share of the value of corporeal property of a partnership is equal to the agreed proportion of the value in respect of the corporation for the partnership's fiscal period referred to in that subparagraph *b*."

**443.** (1) The Act is amended by inserting the following sections after section 1141.8:

**"1141.8.1.** For the purpose of determining the amount that a corporation may deduct, under section 1141.8, from its paid-up capital

otherwise determined for a taxation year under this Title, the following rules apply if one or more other partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between that corporation and a given partnership that carries on a recognized business referred to in that section in any fiscal period of the given partnership:

(a) the corporation is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the corporation’s taxation year in which ends the fiscal period of the interposed partnership of which it is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the corporation is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s fiscal period in which the particular fiscal period ends; and

(b) subparagraph *d* of the second paragraph of section 1141.8 is to be read as if “and the financial statements of the corporation” was replaced by “and the financial statements of the corporation and of any other partnership of which the corporation is a member, or deemed to be a member under paragraph *a* of section 1141.8.1.”.

**“1141.8.2.** Section 1141.8.1 does not apply in respect of a corporation, in relation to a given partnership, if the Minister is of the opinion that the interposition, between the corporation and the given partnership, of one or more other partnerships is part of an operation or transaction or of a series of operations or transactions, one of the purposes of which is to cause the corporation to be able to deduct, under section 1141.8, from its paid-up capital otherwise determined for a taxation year under this Title, an amount greater than the amount that the corporation could have so deducted for that taxation year, but for that interposition.”

(2) Subsection 1 applies to a taxation year of a corporation that ends on 20 December 2006 or later, or that ends before that date but is a taxation year in respect of which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 20 December 2006;

(2) as at 20 December 2006, a notice of objection had been notified to the Minister of Revenue or an appeal had been filed, against an assessment or determination; or

(3) as at 20 December 2006, the corporation had filed with the Minister of Revenue a waiver in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act.

(3) If subsection 1 applies to a taxation year of a corporation because of paragraph 1 of subsection 2, the Minister of Revenue shall, on application by the corporation on or before the day on which the time limits provided for in that paragraph 1 expire in relation to that taxation year or, if it is later, on 2 September 2009, make, under Part IV of the Act and despite sections 1010 to 1011 of the Act, such assessments or reassessments of the tax, interest and penalties payable by the corporation as are necessary to give effect to subsection 1. Sections 93.1.8 and 93.1.12 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) apply to such assessments, with the necessary modifications.

**444.** (1) Section 1145 of the Act is amended by replacing “1027” by “1027.5”.

(2) Subsection 1 has effect from 1 January 2008.

**445.** (1) Section 1159.7 of the Act is amended by replacing “1027” in the first paragraph by “1027.0.3”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2007.

**446.** (1) Section 1175 of the Act is amended by replacing “1027” by “1027.0.3”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2007.

**447.** (1) Section 1175.19 of the Act is amended by replacing “1027” by “1027.0.3”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2007.

**448.** Section 1175.19.2 of the Act, amended by section 567 of chapter 5 of the statutes of 2009, is again amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) that is determined by multiplying the amount refunded, paid or allocated, otherwise determined, by the reciprocal of the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the repayment year.”

**449.** (1) Section 1175.19.2.1 of the Act, amended by section 568 of chapter 5 of the statutes of 2009, is again amended by replacing “130R71” in the following provisions by “130R149”:

— subparagraph ii of each of subparagraphs *a* and *b* of the first paragraph;

— the third paragraph.

(2) Subsection 1 has effect from 4 March 2009.

**450.** (1) Section 1175.19.2.2 of the Act is replaced by the following section:

**“1175.19.2.2.** The tax paid at any time by a corporation to the Minister under this Part in relation to a property, is deemed, for the purposes of Part I, to be an amount of assistance repaid at that time by the corporation in respect of the property, pursuant to a legal obligation.”

(2) Subsection 1 has effect from 22 April 2005.

**451.** (1) Section 1175.21.0.1 of the Act is amended by replacing “130R71” in the following provisions of subparagraph *a* of the first paragraph by “130R149”:

— the portion before subparagraph *i*;

— subparagraph *ii*.

(2) Subsection 1 has effect from 4 March 2009.

**452.** Section 1175.25 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph, a person’s share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership’s fiscal period.”

**453.** Section 1175.27 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the first paragraph, a person’s share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership’s fiscal period.”

**454.** Section 1175.28.9 of the Act is amended by replacing the third paragraph by the following paragraph:

“The rule to which the second paragraph refers is the rule whereby it shall be considered that the agreed proportion in respect of the person for a fiscal period of the partnership that ends in a taxation year of the person and at the end of which the person is a member of the partnership is the same as that for the fiscal period of the modification.”

**455.** Section 1175.28.10 of the Act is amended by replacing the second paragraph by the following paragraph:

“The rule to which the first paragraph refers is the rule whereby it shall be considered that the agreed proportion in respect of the person for a fiscal period of the partnership that ends in a taxation year of the person and at the end of which the person is a member of the partnership is the same as that determined for the partnership’s fiscal period that ends in the subsequent taxation year referred to in the first paragraph.”

**456.** (1) The Act is amended by inserting the following section after section 1175.28.10:

**“1175.28.10.1.** For the purposes of sections 1175.28.9 and 1175.28.10, the following rules apply in respect of a person for a taxation year if one or more partnerships (each of which is in this section referred to as an “interposed partnership”) are interposed between the person and a given partnership for a given fiscal period of the given partnership, and if the person is deemed to have paid an amount to the Minister for a preceding taxation year under Chapter III.1 of Title III of Book IX of Part I, in respect of a cost, an expenditure or expenses incurred by that given partnership in a fiscal period of that given partnership that precedes the given fiscal period (in this section referred to as the “preceding fiscal period”):

(a) the person is deemed to be a member of a particular partnership at the end of a particular fiscal period of the particular partnership and that particular fiscal period is deemed to end in the person’s taxation year in which ends the fiscal period of the interposed partnership of which the person is directly a member, if

i. the particular fiscal period is that which ends in the fiscal period (in this section referred to as the “interposed fiscal period”) of the interposed partnership that is a member of the particular partnership at the end of that particular fiscal period, and

ii. the person is a member, or deemed to be a member under this paragraph, of the interposed partnership described in subparagraph i at the end of the interposed partnership’s interposed fiscal period; and

(b) the agreed proportion in respect of the person for the given partnership’s given fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by

i. if there is only one interposed partnership, the agreed proportion in respect of the interposed partnership for the given partnership’s given fiscal period, or



ii. if there is more than one interposed partnership, the result obtained by multiplying together all proportions each of which is the agreed proportion in respect of an interposed partnership for the particular fiscal period of the particular partnership referred to in paragraph *a* of which the interposed partnership is a member at the end of that particular fiscal period.”

(2) Subsection 1 has effect from 20 December 2006. However, when section 1175.28.10.1 of the Act applies before 4 June 2009, the portion of paragraph *b* before subparagraph *i* is to be read as follows:

“(b) the person’s share of the income or loss of the given partnership for the given fiscal period is deemed to be equal to the proportion of that income or loss—on the assumption that, if the income and loss of the given partnership for the given fiscal period are nil, the given partnership’s income for the given fiscal period is equal to \$1,000,000—that is represented by the proportion obtained by multiplying the agreed proportion in respect of the person for the interposed fiscal period of the interposed partnership of which the person is directly a member, by”.

**457.** Section 1175.28.15 of the Act is amended by replacing the third paragraph by the following paragraph:

“For the purposes of the second paragraph, a person’s share of an amount is equal to the agreed proportion of the amount in respect of the person for the partnership’s particular fiscal period.”

**458.** Section 1178 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) a taxpayer’s share in the income of a partnership carrying on logging operations of which the taxpayer is a member is equal to the agreed proportion of the income (computed under paragraph *a* as if the partnership were, for the purposes of subparagraph *d* of the first paragraph of section 1177 and of this section, a taxpayer and as if paragraphs *a* to *c* and *g* of section 600 applied to this Part) in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

#### ACT RESPECTING THE APPLICATION OF THE TAXATION ACT

**459.** (1) Section 17 of the Act respecting the application of the Taxation Act (R.S.Q., chapter I-4) is amended

(1) by replacing “438” by “436”;

(2) by replacing “aux fins” in the French text by “pour l’application”.

(2) Paragraph 1 of subsection 1 applies in respect of a disposition made after 31 December 1992.

## ACT RESPECTING THE MINISTÈRE DU REVENU

**460.** Section 1 of the Act respecting the Ministère du Revenu (R.S.Q., chapter M-31) is amended by striking out “the Act respecting the payment of allowances to certain self-employed workers (chapter P-1),” in paragraph *a*.

**461.** (1) Section 1.2.1 of the Act is amended, in the first paragraph,

(1) by replacing “established in accordance with Book III of Part IV of the Taxation Act for the particular taxation year” in subparagraph *a* by “that would be determined for the particular taxation year in accordance with Book III of Part IV of the Taxation Act if no reference were made to section 1138.2.6 of that Act,”;

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

“(b) in the case of an insurance corporation, other than a corporation referred to in subparagraph *a*, a corporation whose paid-up capital that would be determined for the particular taxation year in accordance with Title II of Book III of Part IV of the Taxation Act if the corporation were a bank and if paragraph *a* of section 1140 of the Taxation Act were replaced by paragraph *a* of subsection 1 of section 1136 of the Taxation Act, is at least \$10,000,000;”;

(3) by replacing “established in accordance with Title I of Book III of Part IV of the Taxation Act for the particular taxation year” in subparagraph *c* by “that would be determined for the particular taxation year in accordance with Title I of Book III of Part IV of the Taxation Act if no reference were made to section 1138.2.6 of that Act,”.

(2) Subsection 1 applies to a taxation year that ends after 13 March 2008.

**462.** Section 17.3 of the Act is amended, in the first paragraph,

(1) by adding the following phrase at the end of subparagraph *a*: “or is a person one of whose directors or senior officers has been convicted of such an offence within the preceding five years”;

(2) by inserting the following subparagraph after subparagraph *a*:

“(a.1) within the preceding five years, has been assessed a penalty provided for in any of sections 59.3, 59.3.1, 59.4 and 59.5.3 or in section 1049 or 1049.0.5 of the Taxation Act (chapter I-3) or is a person one of whose directors or senior officers has been assessed such a penalty within the preceding five years;”;

(3) by inserting the following subparagraph after subparagraph *b*:

“(b.0.1) has failed to pay an amount to the Minister that the person was required to pay to the Minister under section 24.0.1 or is a person one of whose directors or senior officers has failed to pay such an amount;”;

(4) by replacing “(chapter I-3) or” in subparagraph *b.1* by “or under”.

**463.** Section 17.5 of the Act is amended

(1) by adding the following phrase at the end of subparagraph *a* of the first paragraph: “or is a person one of whose directors or senior officers has been convicted of such an offence within the preceding five years”;

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

“(a.1) within the preceding five years, has been assessed a penalty provided for in any of sections 59.3, 59.3.1, 59.4 and 59.5.3 or in section 1049 or 1049.0.5 of the Taxation Act (chapter I-3) or is a person one of whose directors or senior officers has been assessed such a penalty within the preceding five years;”;

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

“(b.0.1) has failed to pay an amount to the Minister that the person was required to pay to the Minister under section 24.0.1 or is a person one of whose directors or senior officers has failed to pay such an amount;”;

(4) by replacing “(chapter I-3) or” in subparagraph *b.1* of the first paragraph by “or under”;

(5) by replacing “has ceased his activities or has ceased” in subparagraph *i* of the first paragraph by “has not started or has ceased the person’s activities or”;

(6) by replacing “*b, b.1*” in the second paragraph by “*b to b.1*”.

**464.** The Act is amended by inserting the following section after section 37.7:

**“37.8.** In this division and the regulations under it, unless the context indicates otherwise, “vehicle” means any property propelled, pushed or drawn otherwise than by human muscular force, including a boat or vessel, an aircraft, a railway locomotive and a railway car.”

**465.** Section 38 of the Act is amended

(1) in the second paragraph

(a) by adding the following subparagraph after subparagraph *b*:

“(b.1) use any computer, equipment or other thing that is on the premises to access data contained in an electronic device, computer system or other medium or to audit, examine, process, copy or print out such data;”;

(b) by striking out subparagraph *d*;

(2) by striking out the fourth paragraph.

**466.** Section 40 of the Act is amended by replacing the first, second and third paragraphs by the following paragraphs:

**“40.** A judge of the Court of Québec may, on an application *ex parte* following an information laid in writing and under oath by a public servant of the Ministère du Revenu, for all purposes respecting the application of a fiscal law, authorize in writing any public servant of the Ministère du Revenu, or any other person whom the judge designates, to enter and search, by force if need be, any place to search for any thing that may afford evidence of an offence against a fiscal law or a regulation made by the Government under a fiscal law or that is being or has been used in the commission of the offence, and to seize and remove any such thing; the public servant or the person authorized under this section may call upon the assistance of a peace officer.

The public servant who lays the information must have reasonable grounds to believe that the offence is being or has been committed and that there are in that place things that may afford evidence of the offence or that are being or have been used in the commission of the offence.

The judge may grant authorization, subject to such conditions as the judge may specify, if the judge is satisfied that there are reasonable grounds to believe that such an offence is being or has been committed and that there are in that place such things that may afford evidence of the offence or that are being or have been used in the commission of the offence.”

**467.** Section 40.1 of the Act is amended

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

**“40.1.** A public servant or designated person who enters and searches a place in accordance with section 40 may seize and remove, in addition to what is provided for in that section, any thing which the public servant or designated person believes, on reasonable grounds, constitutes evidence of the commission of an offence against a fiscal law or a regulation made by the Government under a fiscal law or is used or has been used in the commission of the offence.”;

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

“The judge may authorize the Minister to retain the things for inquiry purposes, if the judge is satisfied that they may constitute evidence of an offence against a fiscal law or a regulation made by the Government under a fiscal law or that they are being or have been used in the commission of the offence and that they were seized in accordance with this section.”

**468.** The Act is amended by inserting the following sections after section 40.1:

**“40.1.0.1.** A public servant of the Ministère du Revenu may also apply for a telewarrant and make a search in accordance with articles 96 to 114 of the Code of Penal Procedure (chapter C-25.1) for the purpose of searching for, seizing and removing a thing described in the first paragraph of section 40.

A public servant of the Ministère du Revenu who has reasonable grounds to believe that an offence against a fiscal law or a regulation made by the Government under a fiscal law is being or has been committed and that there is in a place in Québec a thing that may afford evidence of the offence or that is being or has been used in the commission of the offence, may also search for, seize and remove that thing without the authorization provided for in the first paragraph of section 40, or without having made an application for a telewarrant provided for in the first paragraph, if the person in charge of that place consents to the search or in exigent circumstances within the meaning of article 96 of the Code of Penal Procedure.

A member of the Sûreté du Québec or a member of a municipal police force may, in relation to an offence against the Tobacco Tax Act (chapter I-2) or a regulation made by the Government under the Tobacco Tax Act, apply for a warrant or telewarrant and make a search in accordance with articles 96 to 114 of the Code of Penal Procedure for the purpose of searching for, seizing and removing a thing described in the first paragraph of section 40.

A member of the Sûreté du Québec or a member of a municipal police force who has reasonable grounds to believe that an offence against the Tobacco Tax Act or a regulation made by the Government under the Tobacco Tax Act is being or has been committed and that there is in a place in Québec a thing that may afford evidence of the offence or that is being or has been used in the commission of the offence, may also search for, seize and remove that thing without having made an application for a warrant or telewarrant provided for in the third paragraph, if the person in charge of that place consents to the search or in exigent circumstances within the meaning of article 96 of the Code of Penal Procedure.

**“40.1.0.2.** A person who is authorized to make a search of data contained in an electronic device, computer system or other medium in accordance with section 40 or 40.1.0.1 may also use any computer, equipment or other thing that is on the premises to access such data and to search for, examine, copy or print out such data on the premises. In accordance with section 40 or 40.1.0.1, the person may seize and remove such a copy or printout.”

**469.** Section 40.1.3 of the Act is amended by striking out the sixth paragraph.

**470.** Section 40.2 of the Act is amended by inserting “40.1.0.1,” after “40.1,” in the first paragraph.

**471.** (1) The Act is amended by inserting the following sections after section 40.2:

**“40.3.** Subject to a release of seizure by the Minister, any thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3 must remain in the custody of a person designated by the Minister for that purpose until, in accordance with section 40.4, it is sold or, in accordance with section 40.5, it is destroyed or, in accordance with section 68.0.2, it is confiscated or, in accordance with article 138 of the Code of Penal Procedure (chapter C-25.1), subject to section 40.10, or in accordance with section 40.11, it is returned to a person having a right in the thing.

However, the Minister may return a vehicle seized under any of sections 40, 40.1, 40.1.0.1 and 40.1.1 to the person from whom it was seized if that person pays a deposit equal to the aggregate of the amount of the cash value of the vehicle and of the amount, determined on the day of payment of the deposit, of the costs of seizure and preservation set by regulation. The deposit is payable in cash or in the manner prescribed by regulation, and must be kept by an authorized person in the manner prescribed by regulation until disposed of according to law.

**“40.4.** Despite sections 40, 40.1, 40.1.0.1 and 40.1.1, if a thing is seized, a judge of the Court of Québec may, on application by the Minister, authorize the Minister in writing to sell the thing or have it sold on the conditions determined in the authorization. If applicable, the authorization must also provide for samples to be kept in sufficient quantity to serve as evidence.

Prior notice of not less than one clear day of the application must be served on the person from whom the thing was seized and on the persons who claim to have a right in the thing, if their identity is known.

The sale proceeds, after deduction of the costs, must be kept by a person authorized by the Minister in the manner prescribed by regulation until disposed of according to law.

**“40.5.** Despite sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3, if a thing is seized and unlawful possession prevents it from being returned or if it cannot be legally sold by retail sale in Québec, a judge of the Court of Québec may, on application by the Minister, authorize the Minister in writing to destroy the thing or have it destroyed on the conditions determined in the authorization. If applicable, the authorization must also provide for samples to be kept in sufficient quantity to serve as evidence.

Prior notice of not less than one clear day of the application must be served on the person from whom the thing was seized and on the persons who claim to have a right in the thing, if their identity is known.

**“40.6.** A thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3, the deposit referred to in the second paragraph of section 40.3 or the sale proceeds referred to in section 40.4 may not be retained for more than one year from the date of seizure or the date on which a notice of entry and search was given in accordance with the sixth paragraph of section 40.1.1, unless proceedings have been instituted and except in the cases provided for in sections 40.7 to 40.9 and articles 134 to 138 of the Code of Penal Procedure (chapter C-25.1).

**“40.7.** The Minister may apply for an extension of any retention period.

To obtain any extension of a retention period, the Minister shall apply to a judge of the Court of Québec before the expiry of that period.

In such a case, the judge shall determine the conditions and duration of the retention.

When the Minister applies for an extension of a retention period, the Minister must prove that the extension is warranted, having regard to the circumstances and the nature of the inquiry.

Prior notice of not less than three clear days of an application for an extension of a retention period must be served on the person from whom the thing was seized and on the persons who claim to have a right in the thing seized, the deposit or the sale proceeds of the thing seized.

**“40.8.** A thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3, the deposit referred to in the second paragraph of section 40.3 or the sale proceeds referred to in section 40.4 may be retained for a longer period than that provided for in section 40.6 if the person from whom the thing was seized or the person legally entitled to it gives written consent for the retention period to be extended.

**“40.9.** A judge of the Court of Québec may, if a retention period referred to in section 40.6 or 40.8 or ordered under section 40.7 is expired and the proceedings for which the thing retained may be required have not been instituted, order, if the judge is satisfied that the interests of justice so require, the extension of the retention for the period the judge considers necessary.

**“40.10.** If, in accordance with the provisions of article 138 of the Code of Penal Procedure (chapter C-25.1), an application for the return of a thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3, of the deposit referred to in the second paragraph of section 40.3 or of the sale proceeds referred to in section 40.4 is made by a person who claims to have a

right in the thing, deposit or proceeds and who is not the offender, the judge may order the return on the conditions the judge specifies if the judge is satisfied that, in addition to what is provided for in article 138 of the Code of Penal Procedure, the thing, deposit or proceeds need not be retained for the purposes of a fiscal law or that confiscation is not required under section 68.0.2.

The judge may also, in such a case, order the person to pay the costs of seizure and preservation of the thing set by regulation.

Article 138 of the Code of Penal Procedure applies to the deposit referred to in section 40.3.

**“40.11.** The Minister must return the thing seized, the deposit referred to in the second paragraph of section 40.3 or the sale proceeds referred to in section 40.4 to the person from whom the thing was seized as soon as retention of the thing is no longer necessary in the interests of justice.

**“40.12.** The powers and duties conferred upon or assigned to a judge of the Court of Québec under sections 40 to 40.11 may also be exercised by a justice of the peace within the limits provided by law and specified in the justice’s deed of appointment.”

(2) Subsection 1 applies from 4 June 2009. However,

(1) in the case of a thing seized that has been retained for more than 180 days before 4 June 2009, section 40.7, enacted by subsection 1, is to be read as follows:

**“40.7.** The Minister may apply for further retention to a judge of the Court of Québec within 180 days after 4 June 2009.

The Minister may also apply for an extension of any retention period.

To obtain any extension of a retention period, the Minister shall apply to a judge of the Court of Québec before the expiry of that period.

In such a case, the judge shall determine the conditions and duration of the retention.

When the Minister applies for further retention or for an extension of a retention period, the Minister must prove that further retention or the extension is warranted, having regard to the circumstances and the nature of the inquiry.

Prior notice of not less than three clear days of an application for further retention or for an extension of a retention period must be served on the person from whom the thing was seized and on the persons who claim to have a right in the thing seized, the deposit or the sale proceeds of the thing seized.”; and



(2) in the case of a thing seized for which the Minister has obtained an order for further detention under article 133 of the Code of Penal Procedure (chapter C-25.1), section 40.9, enacted by subsection 1, is to be read as if “if a retention period referred to in section 40.6 or 40.8 or ordered under section 40.7” was replaced by “if a further detention period ordered under article 133 of the Code of Penal Procedure (chapter C-25.1)”.

**472.** The Act is amended by inserting the following section after section 68.0.1:

**“68.0.2.** The judge convicting the defendant of an offence against a fiscal law or a regulation made by the Government under a fiscal law may, on application by the Minister, order the defendant to pay the amount of costs set by regulation in relation to the seizure and preservation of any thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3.

However, the judge may reduce the amount if the judge is satisfied that the Minister unduly delayed instituting proceedings or caused the commencement of proceedings to be delayed without sufficient cause.

On an application of the Minister made within 30 days after a judgment has been rendered in proceedings to impose a penal sanction for an offence against a fiscal law or a regulation made by the Government under a fiscal law or, in cases where the defendant is deemed to have been convicted of the offence, within 90 days after service of the statement of offence, a judge may also order the confiscation of the thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3 if the unlawful possession of the thing prevents it from being returned to the person from whom it was seized or to a person who claims to have a right in the thing, and, in cases where a defendant has been convicted of, or is deemed to have been convicted of, an offence against a fiscal law or a regulation made by the Government under a fiscal law, in addition to any penalty otherwise prescribed for the offence, the confiscation of any thing seized under any of sections 40, 40.1, 40.1.0.1, 40.1.1 and 40.1.3, of the deposit referred to in the second paragraph of section 40.3 or of the sale proceeds referred to in section 40.4.

Prior notice of not less than one clear day of an application under this section must be served on the defendant, on the person from whom the thing was seized and on the persons who claim to have a right in the thing seized, the deposit referred to in the second paragraph of section 40.3 or the sale proceeds referred to in section 40.4, except when they are in the presence of the judge. The prior notice may be given to the defendant with the statement of offence, specifying that the application is to be made at the time of the judgment.

The Minister shall destroy the things confiscated or dispose of them and pay the proceeds of their sale, if any, into the consolidated revenue fund.

If the confiscation of raw tobacco, of packages of tobacco or of the sale proceeds referred to in section 40.4 is ordered, the judge may also, on application by the Minister, authorize the Minister to destroy the raw tobacco or the packages of tobacco or to dispose of the raw tobacco, the packages of tobacco or the sale proceeds referred to in section 40.4 for the benefit of community bodies working in the health and social services sector.”

**473.** (1) Section 93.1.1.1 of the Act is amended by replacing “1086R23.1” in paragraph *a* by “1086R78”.

(2) Subsection 1 has effect from 4 March 2009.

#### ACT RESPECTING LABOUR STANDARDS

**474.** (1) Section 39.0.3 of the Act respecting labour standards (R.S.Q., chapter N-1.1) is amended by replacing “Title XXVII” in the first paragraph by “Title XL”.

(2) Subsection 1 has effect from 4 March 2009.

**475.** (1) Section 39.0.4 of the Act is amended by replacing “Title XXVII” by “Title XL”.

(2) Subsection 1 has effect from 4 March 2009.

#### ACT RESPECTING THE RÉGIE DE L’ASSURANCE MALADIE DU QUÉBEC

**476.** Section 34.1.6.1 of the Act respecting the Régie de l’assurance maladie du Québec (R.S.Q., chapter R-5), amended by section 586 of chapter 5 of the statutes of 2009, is again amended by replacing “next before” in subparagraph *b* of the second paragraph by “immediately before”.

**477.** (1) Section 37.4 of the Act, amended by section 589 of chapter 5 of the statutes of 2009, is again amended, in subparagraph *a* of the first paragraph,

(1) by replacing subparagraphs *i* to *iv* by the following subparagraphs:

“*i.* \$13,760 where, for the year, the individual has no eligible spouse and no dependent child,

“*ii.* \$22,310 where, for the year, the individual has no eligible spouse but has one dependent child,

“*iii.* \$25,280 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“*iv.* \$22,310 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

(2) by replacing subparagraphs 1 and 2 of subparagraph v by the following subparagraphs:

“(1) \$25,280 where the individual has one dependent child for the year, or

“(2) \$28,020 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2008.

#### COOPERATIVE INVESTMENT PLAN ACT

**478.** (1) The Cooperative Investment Plan Act (R.S.Q., chapter R-8.1.1) is amended by inserting the following after section 6:

##### “DIVISION V.1

##### “EXCHANGE OF SECURITIES

“**6.1.** A security issued as part of an operation described in section 6.2 in exchange for a qualifying security is deemed to be the same security as the exchanged qualifying security and to continue it.

“**6.2.** The operation to which section 6.1 refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements set out in paragraphs 3 and 4 of section 6.”

(2) Subsection 1 applies in respect of a conversion of securities, an amalgamation or a reorganization of the capital stock made after 20 June 2008.

**479.** (1) Section 56 of the Act is amended by adding the following paragraphs after the second paragraph:

“Any security issued as part of an operation described in the fourth paragraph in exchange for a security referred to in the first paragraph is deemed to be the same security as the exchanged security and to continue it.

“The operation to which the third paragraph refers is a conversion of securities, an amalgamation or a reorganization of the capital stock, at the end of which a qualifying security is exchanged for consideration consisting only of preferred shares or fractions of such shares that meet the requirements set out in paragraphs 3 and 5 of section 6 of that plan.”

(2) Subsection 1 applies in respect of a conversion of securities, an amalgamation or a reorganization of the capital stock made after 20 June 2008.

## ACT RESPECTING PROPERTY TAX REFUND

**480.** Section 1.3 of the Act respecting property tax refund (R.S.Q., chapter R-20.1), amended by section 594 of chapter 5 of the statutes of 2009, is again amended by replacing “next before” in subparagraph *b* of the second paragraph by “immediately before”.

## ACT RESPECTING THE QUÉBEC SALES TAX

**481.** Section 1 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1), amended by section 595 of chapter 5 of the statutes of 2009, is again amended by replacing “émise” in the definitions of “note de crédit” and “note de débit” in the French text by “délivrée”.

**482.** (1) Section 18 of the Act, amended by section 596 of chapter 5 of the statutes of 2009, is again amended

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

“**18.** Every recipient of a taxable supply, except a zero-rated supply, other than the zero-rated supply included in paragraph 2.1 or any of sections 179.1, 179.2 and 191.3.2, or a supply included in section 18.0.1, shall pay to the Minister a tax in respect of the supply calculated at the rate of 7.5% on the value of the consideration for the supply if the supply is”;

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

“(2.1) a supply made in Québec of incorporeal movable property that is a zero-rated supply only because it is included in section 188 or 188.1, other than

(a) a supply that is made to a consumer of the property; or

(b) a supply of incorporeal movable property that is acquired for consumption, use or supply exclusively in the course of commercial activities of the recipient of the supply or activities that are engaged in exclusively outside Québec by the recipient of the supply and that are not part of a business or an adventure or concern in the nature of trade engaged in by that recipient in Québec;”.

(2) Subsection 1 applies to a supply made after 19 March 2007.

**483.** (1) Section 40 of the Act is amended by adding the following subparagraph after subparagraph 4 of the first paragraph:

“(5) a right to enter or use land to generate or evaluate the feasibility of generating electricity from the sun or wind.”

(2) Subsection 1 applies

(1) to a supply made after 25 February 2008; and

(2) to a supply made before 26 February 2008 but only in respect of the part of the consideration for the supply that becomes due after 25 February 2008 or is paid after that date without having become due.

**484.** (1) Section 41 of the Act is replaced by the following section:

**“41.** Section 40 does not apply to a supply of a right to take or remove forestry products, products that grow in water, fishery products, minerals or peat, to a right of entry or user relating to the products, minerals or peat, or to a right described in subparagraph 5 of the first paragraph of that section, if the supply is made

(1) to a consumer; or

(2) to a person who is not a registrant and who acquires the right in the course of a business of the person to make supplies of the products, minerals or peat or of electricity to consumers.”

(2) Subsection 1 applies

(1) to a supply made after 25 February 2008; and

(2) to a supply made before 26 February 2008 but only in respect of the part of the consideration for the supply that becomes due after 25 February 2008 or is paid after that date without having become due.

**485.** Section 83 of the Act is amended, in the first paragraph in the French text,

(1) by replacing “émet” in subparagraph 1 by “délivre”;

(2) by replacing “émis” in subparagraph 2 by “délivré”.

**486.** (1) Section 99 of the Act is amended by replacing the portion before paragraph 1 by the following:

**“99.** A supply of property is exempt if the property is land, a building, or the part of a building, that consists solely of residential units, and the supply is made by way of lease, licence or similar arrangement to a recipient (in this section referred to as the “lessee”) for a lease interval (within the meaning assigned by section 32.2) throughout which the lessee or a sub-lessee makes, or holds the property for the purpose of making, one or more supplies of the property, parts of the property or leases, licences or similar arrangements in respect of the property or parts of it and all or substantially all of those supplies are”.

(2) Subsection 1 applies to a supply for which consideration becomes due after 26 February 2008 without having been paid on or before that date, or is paid after that date without having become due.

**487.** (1) The Act is amended by inserting the following section after section 99:

**“99.0.1.** A supply made by way of lease, licence or similar arrangement of property is exempt if the property is a residential complex or is land, a building or the part of a building, that forms or is reasonably expected to form part of a residential complex, and if the supply is made to a recipient (in this section referred to as the “lessee”) for a lease interval (within the meaning assigned by section 32.2) throughout which all or substantially all of the property is

(1) supplied, or is held for the purpose of being supplied, in one or more supplies, by the lessee or a sub-lessee for the purpose of the occupancy of the property or parts of the property by individuals as a place of residence or lodging and all or substantially all of the supplies of the property or parts of the property are exempt supplies described in section 98; or

(2) used, or held for the purpose of being used, by the lessee or a sub-lessee in the course of making exempt supplies and, as part of one or more exempt supplies, possession or use of all or substantially all of the residential units situated in the property is given under a lease, licence or similar arrangement for the purpose of their occupancy by an individual as a place of residence.”

(2) Subsection 1 applies to a supply of property for which

(1) consideration becomes due after 26 February 2008 without having been paid on or before that date, or is paid after that date without having become due; or

(2) all of the consideration became due or was paid before 27 February 2008 if the supplier did not, before that date, charge, collect or remit an amount as or on account of tax under Title I of the Act in respect of the supply or any other supply of the property made by the supplier that would be described in either of sections 99 and 99.0.1 of the Act, if those sections, as amended and enacted respectively by this Act, had applied.

(3) Subsection 4 applies, if, because of the enactment of section 99.0.1 of the Act by subsection 1,

(1) a person ceases to use land of the person, or reduces the extent to which land is used, in commercial activities of the person;

(2) the person is deemed under any of sections 258, 259, 261 and 262 of the Act to have made a supply of the land, or a portion of it;

(3) the person would have become entitled, at a particular time before 27 February 2008, to a rebate under section 378.1 of the Act in respect of the land, if that section, as amended by this Act, and sections 99 and 99.0.1 of the Act, as amended and enacted respectively by this Act, had applied at that time; and

(4) the amount of rebate would have been included in determining the total for B in the formula in the definition of “basic tax content” in section 1 of the Act, for the purpose of determining the basic tax content of the land of the person at or after the particular time if the person had been entitled to the rebate at the particular time.

(4) For the purpose of determining, at or after the particular time, the basic tax content of the land of the person, the amount of rebate must be included in determining the total for B in the formula in the definition of “basic tax content” in section 1 of the Act.

(5) Subsection 6 applies, if, because of the enactment of section 99.0.1 of the Act by subsection 1,

(1) a person ceases to use a residential complex of the person, or reduces the extent to which the residential complex is used, in commercial activities of the person;

(2) the person is deemed under any of sections 258, 259, 261 and 262 of the Act to have made a supply of the residential complex, or a portion of it;

(3) the person would have become entitled, at a particular time before 27 February 2008, to a rebate under section 378.6 of the Act in respect of the residential complex, if sections 378.4 and 378.6 of the Act, as amended by this Act, and sections 99 and 99.0.1 of the Act, as amended and enacted respectively by subsection 1, had applied at that time; and

(4) the amount of rebate would have been included in determining the total for B in the formula in the definition of “basic tax content” in section 1 of the Act, for the purpose of determining the basic tax content of the residential complex of the person at or after the particular time if the person had been entitled to the rebate at the particular time.

(6) For the purpose of determining, at or after the particular time, the basic tax content of the residential complex of the person, the amount of rebate must be included in determining the total for B in the formula in the definition of “basic tax content” in section 1 of the Act.

**488.** Section 110 of the Act is amended by replacing “physician” by “medical practitioner”.

**489.** (1) Section 112 of the Act is amended by replacing the first paragraph by the following paragraph:

“**112.** A supply of a consultative, diagnostic, treatment or other health care service that is rendered by a medical practitioner to an individual is exempt.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

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

“**113.** A supply of a nursing service rendered to an individual by a nurse or a nursing assistant is exempt if the service is rendered within a nurse-patient relationship.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**491.** (1) Section 114 of the Act, replaced by section 605 of chapter 5 of the statutes of 2009, is again replaced by the following section:

“**114.** A supply of an audiological, chiropodic, chiropractic, midwifery, occupational therapy, optometric, osteopathic, physiotherapy, podiatric, psychological or speech-language pathology service is exempt if the service is rendered to an individual by a practitioner of the service.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**492.** (1) Section 114.1 of the Act is amended by replacing the portion before subparagraph 1 by the following:

“**114.1.** A supply of a dietetic service rendered by a practitioner of the service is exempt if”.

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**493.** (1) Section 114.2 of the Act, enacted by section 606 of chapter 5 of the statutes of 2009, is amended by replacing paragraphs 1 and 2 by the following paragraphs:

“(1) the service is rendered to an individual within a professional-client relationship between the particular individual who renders the service and the individual and is provided for the prevention, assessment or remediation of, or to assist the individual in coping with, a physical, emotional, behavioural or mental disorder or disability of the individual or of another individual to whom the individual is related or to whom the individual provides care or supervision otherwise than in a professional capacity; and

“(2) the particular individual is licensed or otherwise certified to practise the profession of social work in Québec.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.



**494.** (1) Section 117 of the Act is replaced by the following section:

“**117.** A supply of a diagnostic, treatment or other health care service rendered to an individual is exempt if the service is a prescribed service and the supply is made on the order of

(1) a medical practitioner or a practitioner; or

(2) a nurse authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to order such a service if the order is made within a nurse-patient relationship.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**495.** (1) The Act is amended by inserting the following section after section 119.1:

“**119.2.** A supply (other than a zero-rated supply or a prescribed supply) of a training service is exempt if

(1) the training is specially designed to assist individuals with a disorder or disability in coping with the effects of the disorder or disability or to alleviate or eliminate those effects and is given to a particular individual with the disorder or disability or to another individual who provides personal care or supervision to the particular individual otherwise than in a professional capacity; and

(2) any of the following conditions is met:

(a) a person acting in the capacity of a practitioner, medical practitioner, social worker or nurse, and in the course of a professional-client relationship between the person and the particular individual, has certified in writing that the training is an appropriate means to assist the particular individual in coping with the effects of the disorder or disability or to alleviate or eliminate those effects,

(b) a prescribed person, or a member of a prescribed class of persons, has, subject to prescribed circumstances or conditions, certified in writing that the training is an appropriate means to assist the particular individual in coping with the effects of the disorder or disability or to alleviate or eliminate those effects, or

(c) the supplier

i. is a government,

ii. is paid an amount to make the supply by a government or organization administering a government program targeted at assisting individuals with a disorder or disability, or

iii. receives evidence satisfactory to the Minister that, for the purpose of the acquisition of the service, an amount has been paid or is payable to a person by a government or organization administering a government program targeted at assisting individuals with a disorder or disability.

For the purposes of this section, a training service does not include training that is similar to the training ordinarily given to individuals who

(1) do not have a disorder or disability; and

(2) do not provide personal care or supervision to an individual with a disorder or disability.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**496.** (1) Section 173 of the Act is amended

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

““authorized individual” means an individual, other than a medical practitioner, who is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to make an order directing that a stated amount of a drug or mixture of drugs specified in the order be dispensed for the individual named in the order;”;

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

““prescription” means a written or verbal order, given to a pharmacist by a medical practitioner or authorized individual, directing that a stated amount of a drug or mixture of drugs specified in the order be dispensed for the individual named in the order.”

(2) Subsection 1 applies in respect of a supply made

(1) after 26 February 2008; or

(2) before 27 February 2008 if no amount was charged, collected or remitted before 27 February 2008 as or on account of tax under Title I of the Act in respect of the supply.

**497.** (1) Section 174 of the Act, amended by section 610 of chapter 5 of the statutes of 2009, is again amended

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

“(b) a drug described in Schedule F to the Food and Drug Regulations made under the Food and Drugs Act, other than a drug or mixture of drugs

that may, pursuant to that Act or those regulations, be sold to a consumer with neither a prescription nor a written order signed by the Director (as defined in those regulations);”;

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

“(d) a drug that contains a substance included in the schedule to the Narcotic Control Regulations made under the Controlled Drugs and Substances Act (Statutes of Canada, 1996, chapter 19), other than a drug or mixture of drugs that may, pursuant to that Act or regulations made under that Act, be sold to a consumer with neither a prescription nor an exemption by the federal Minister of Health in respect of the sale;”;

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

“(b) on the prescription of a medical practitioner or authorized individual for the personal consumption or use of the individual named in the prescription;”.

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of a supply made after 26 February 2008.

(3) Paragraph 3 of subsection 1 applies in respect of a supply made

(1) after 26 February 2008; or

(2) before 27 February 2008 if no amount was charged, collected or remitted before 27 February 2008 as or on account of tax under Title I of the Act in respect of the supply.

**498.** (1) The Act is amended by inserting the following section after section 175:

“**175.1.** For the purposes of this division, other than paragraph 32 of section 176, a supply of property that is not designed for human use or for assisting a person with a disability or impairment is deemed not to be included in this division.”

(2) Subsection 1 applies in respect of a supply made after 26 February 2008.

**499.** (1) Section 176 of the Act is amended

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

“(5) a supply of a mechanical percussor for postural drainage treatment or a chest wall oscillation system for airway clearance therapy;”;

(2) by replacing paragraph 13 by the following paragraph:

“(13) a supply of a chair, walker, wheelchair lift or similar aid to locomotion, with or without wheels, including motive power and wheel assemblies therefor, that is specially designed to be operated by a person with a disability for locomotion of the person;”;

(3) by inserting the following paragraph after paragraph 13:

“(13.1) a supply of a chair that is specially designed for use by a person with a disability if the chair is supplied on the written order of a medical practitioner for use by a consumer named in the order;”;

(4) by replacing paragraph 19 by the following paragraph:

“(19) a supply of a bath seat, shower seat, toilet seat or commode chair that is specially designed for use by a person with a disability;”;

(5) by replacing “conçu pour être porté” in paragraph 24 in the French text by “conçus pour être portés”;

(6) by replacing “conçue” in paragraph 26 in the French text by “conçues”;

(7) by replacing “or certificate of” in paragraph 29 by “of or in accordance with the certificate issued by”;

(8) by replacing “conçu” in paragraphs 31 and 37 in the French text by “conçus”;

(9) by replacing paragraph 32 by the following paragraph:

“(32) a supply of an animal that is or is to be specially trained to assist a person with a disability or impairment with a problem arising from the disability or impairment, or a supply of a service of training a person to use the animal, if the supply is made to or by an organization that is operated for the purpose of supplying such specially trained animals to persons with the disability or impairment;”;

(10) by striking out paragraph 32.1;

(11) by replacing paragraph 33 by the following paragraph:

“(33) a supply of a service (other than a service the supply of which is described in any provision of Division II of Chapter III except section 116 and a service related to the provision of a surgical or dental service that is performed for cosmetic purposes and not for medical or reconstructive purposes) of maintaining, installing, modifying, repairing or restoring a property the supply of which is described in any of paragraphs 1 to 31 and 36 to 40, or any part of such a property if the part is supplied in conjunction with the service;”;

(12) by adding the following paragraph after paragraph 39:

“(40) a supply of a device that is specially designed for neuromuscular stimulation therapy or standing therapy, if supplied on the written order of a medical practitioner for use by a consumer with paralysis or a severe mobility impairment who is named in the order.”

(2) Paragraphs 1 to 4 and 9 to 12 of subsection 1 apply in respect of a supply made after 26 February 2008.

**500.** Section 178 of the Act, amended by section 611 of chapter 5 of the statutes of 2009, is again amended by striking out paragraph 7.

**501.** Section 191.3.3 of the Act is amended by replacing “délivrée” in paragraph 2 in the French text by “émise”.

**502.** Section 198.2 of the Act is replaced by the following section:

“**198.2.** A supply of tobacco or raw tobacco within the meaning of the Tobacco Tax Act (chapter I-2) is a zero-rated supply.”

**503.** Section 201 of the Act is amended by replacing “émis” in the second paragraph in the French text by “délivré”.

**504.** (1) Section 223 of the Act is amended

(1) by inserting “or use” after “possession” in subparagraph 1 of the first paragraph;

(2) by inserting “or use” after “gives possession” in subparagraphs *a* and *b* of subparagraph 1 of the second paragraph;

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

“(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of the complex with the particular person, is the first individual to occupy the complex as a place of residence after substantial completion of the construction or renovation.”

(2) Subsection 1 applies in respect of a residential complex if the particular time is

(1) after 26 February 2008; or

(2) before 27 February 2008, in the case where the builder of the residential complex

(a) would have been deemed under section 223 of the Act to have made, at the particular time, a taxable supply by way of sale of the residential complex if that section, as amended by subsection 1, had applied at that time; and

(b) has reported an amount as or on account of tax, as a result of the builder applying section 223 of the Act in respect of the residential complex, in the builder's return filed under Chapter VIII of Title I of the Act for a reporting period the return for which is filed before 27 February 2008 or is required under that chapter to be filed on or before a day that is before that date.

(3) For the purposes of subsection 2, the particular time in respect of a residential complex is the later of

(1) the time the construction or substantial renovation of the residential complex is substantially completed; and

(2) the time the builder of the residential complex first gives possession or use of the residential complex to a person for the purpose of the occupancy of the residential complex by an individual as a place of residence or, if it is earlier, the time the residential complex is occupied by the builder as a place of residence.

(4) In addition, when subsection 1 applies, the unclaimed refund referred to in paragraph 3 is deemed to be an input tax refund of a person for the person's reporting period that includes 26 February 2008 and not to be an input tax refund of the person for any other reporting period, in the case where,

(1) the person is the builder of a residential complex;

(2) the person is deemed under section 223 of the Act to have made and received, at a particular time that is after 26 February 2008, a taxable supply by way of sale of the residential complex and to have paid as a recipient and to have collected as a supplier a particular amount of tax in respect of that supply; and

(3) the person has not claimed or deducted an amount (in this subsection referred to as an "unclaimed refund") in respect of property or a service in determining the net tax for any reporting period of the person the return for which is filed before 27 February 2008 or is required under Chapter VIII of Title I of the Act to be filed on or before a day that is before that date and

(a) the property or service, in a particular reporting period that ends before 27 February 2008,

i. was acquired or brought into Québec for consumption or use in making the taxable supply; or

ii. was, in relation to the residential complex, acquired or brought into Québec and would have been acquired or brought into Québec for consumption or use in making the taxable supply if section 223 of the Act, as amended by subsection 1, had applied; and

(b) the unclaimed refund is—or would be if section 223 of the Act, as amended by subsection 1, had applied—an input tax refund of the person.

**505.** (1) Section 225 of the Act is amended

(1) by inserting “or use” after “possession” in subparagraph 1 of the first paragraph;

(2) by inserting “or use” after “possession” in subparagraphs *a* and *a.1* of subparagraph 1 of the second paragraph;

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

“(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of a residential unit in the complex with the particular person, is the first individual to occupy a residential unit in the complex as a place of residence after substantial completion of the construction or renovation.”

(2) Subsection 1 applies in respect of a residential complex if the particular time is

(1) after 26 February 2008; or

(2) before 27 February 2008, in the case where the builder of the residential complex

(a) would have been deemed under section 225 of the Act to have made, at the particular time, a taxable supply by way of sale of the residential complex if that section, as amended by subsection 1, had applied at that time; and

(b) has reported an amount as or on account of tax, as a result of the builder applying section 225 of the Act in respect of the residential complex, in the builder’s return filed under Chapter VIII of Title I of the Act for a reporting period the return for which is filed before 27 February 2008 or is required under that chapter to be filed on or before a day that is before that date.

(3) For the purposes of subsection 2, the particular time in respect of a residential complex is the later of

(1) the time the construction or substantial renovation of the residential complex is substantially completed; and

(2) the time the builder of the residential complex first gives possession or use of a residential unit in the residential complex to a person for the purpose of the occupancy of the residential unit by an individual as a place of residence or, if it is earlier, the time a residential unit in the residential complex is occupied by the builder as a place of residence.

(4) In addition, when subsection 1 applies, the unclaimed refund referred to in paragraph 3 is deemed to be an input tax refund of a person for the person's reporting period that includes 26 February 2008 and not to be an input tax refund of the person for any other reporting period, in the case where,

(1) the person is the builder of a residential complex;

(2) the person is deemed under section 225 of the Act to have made and received, at a particular time that is after 26 February 2008, a taxable supply by way of sale of the residential complex and to have paid as a recipient and to have collected as a supplier a particular amount of tax in respect of that supply; and

(3) the person has not claimed or deducted an amount (in this subsection referred to as an "unclaimed refund") in respect of property or a service in determining the net tax for any reporting period of the person the return for which is filed before 27 February 2008 or is required under Chapter VIII of Title I of the Act to be filed on or before a day that is before that date and

(a) the property or service, in a particular reporting period that ends before 27 February 2008,

i. was acquired or brought into Québec for consumption or use in making the taxable supply; or

ii. was, in relation to the residential complex, acquired or brought into Québec and would have been acquired or brought into Québec for consumption or use in making the taxable supply if section 225 of the Act, as amended by subsection 1, had applied; and

(b) the unclaimed refund is—or would be if section 225 of the Act, as amended by subsection 1, had applied—an input tax refund of the person.

**506.** (1) Section 226 of the Act is amended

(1) by inserting "or use" after "possession" in subparagraph 1 of the first paragraph;

(2) by inserting "or use" after "possession" in subparagraphs *a* and *a.1* of subparagraph 1 of the second paragraph;

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



“(2) the builder, the particular person or an individual who has entered into a lease, licence or similar arrangement in respect of a residential unit in the addition with the particular person, is the first individual to occupy a residential unit in the addition as a place of residence after substantial completion of the construction of the addition.”

(2) Subsection 1 applies in respect of an addition to a residential complex if the particular time is

(1) after 26 February 2008; or

(2) before 27 February 2008, in the case where the builder of the addition

(a) would have been deemed under section 226 of the Act to have made, at the particular time, a taxable supply by way of sale of the addition if that section, as amended by subsection 1, had applied at that time; and

(b) has reported an amount as or on account of tax, as a result of the builder applying section 226 of the Act in respect of the addition, in the builder’s return filed under Chapter VIII of Title I of the Act for a reporting period the return for which is filed before 27 February 2008 or is required under that chapter to be filed on or before a day that is before that date.

(3) For the purposes of subsection 2, the particular time in respect of an addition to a residential complex is the later of

(1) the time the construction of the addition is substantially completed; and

(2) the time the builder of the addition first gives possession or use of a residential unit in the addition to a person for the purpose of the occupancy of the residential unit by an individual as a place of residence or, if it is earlier, the time a residential unit in the addition is occupied by the builder as a place of residence.

(4) In addition, when subsection 1 applies, the unclaimed refund referred to in paragraph 3 is deemed to be an input tax refund of a person for the person’s reporting period that includes 26 February 2008 and not to be an input tax refund of the person for any other reporting period, in the case where,

(1) the person is the builder of an addition to a multiple unit residential complex;

(2) the person is deemed under section 226 of the Act to have made and received, at a particular time that is after 26 February 2008, a taxable supply by way of sale of the addition and to have paid as a recipient and to have collected as a supplier a particular amount of tax in respect of that supply; and

(3) the person has not claimed or deducted an amount (in this subsection referred to as an “unclaimed refund”) in respect of property or a service in determining the net tax for any reporting period of the person the return for which is filed before 27 February 2008 or is required under Chapter VIII of Title I of the Act to be filed on or before a day that is before that date and

(a) the property or service, in a particular reporting period that ends before 27 February 2008,

i. was acquired or brought into Québec for consumption or use in making the taxable supply; or

ii. was, in relation to the addition, acquired or brought into Québec and would have been acquired or brought into Québec for consumption or use in making the taxable supply if section 226 of the Act, as amended by subsection 1, had applied; and

(b) the unclaimed refund is—or would be if section 226 of the Act, as amended by subsection 1, had applied—an input tax refund of the person.

**507.** (1) Section 231.1 of the Act is amended by replacing the portion before paragraph 2 by the following:

**“231.1.** If a builder of a residential complex or an addition to a multiple unit residential complex makes a supply of the complex or of a residential unit in the complex or addition by way of lease, licence or similar arrangement and the supply is an exempt supply under section 99 or 99.0.1, the builder is deemed, at the time referred to in paragraph 2, to have given possession of the complex or unit to an individual under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence if

(1) the recipient of the supply is acquiring the complex or unit for use or supply in the course of making exempt supplies and, as part of an exempt supply, possession or use of the complex, unit or residential units in the complex is given by the recipient under a lease, licence or similar arrangement under which occupancy of the complex or unit is given to an individual as a place of residence or lodging; and”.

(2) Subsection 1 applies in respect of a residential complex or an addition to a residential complex if the particular time is

(1) after 26 February 2008; or

(2) before 27 February 2008, in the case where the builder of the residential complex or addition

(a) would have been deemed under any of sections 223 to 231 of the Act to have made, at the particular time, a taxable supply by way of sale of the

residential complex or addition if section 231.1 of the Act, as amended by subsection 1, and any of sections 223, 225 and 226 of the Act, as amended by this Act, had applied at that time; and

(b) has reported an amount as or on account of tax, as a result of the builder applying sections 223 to 231.1 of the Act in respect of the residential complex or addition, in the builder's return filed under Chapter VIII of Title I of the Act for a reporting period the return for which is filed before 27 February 2008 or is required under that chapter to be filed on or before a day that is before that date.

(3) For the purposes of subsection 2, the particular time in respect of a residential complex or an addition to a residential complex is the later of

(1) the time the construction or substantial renovation of the residential complex or addition is substantially completed; and

(2) the time possession of the residential complex or of a residential unit in the complex or addition is first given by the builder of the residential complex or addition to a person who is acquiring the residential complex or unit for use or supply in the course of making exempt supplies if, as part of an exempt supply, possession or use of the residential complex, unit or residential units in the complex is given by the person under a lease, licence or similar arrangement under which occupancy of the residential complex or unit is given to an individual as a place of residence or lodging.

**508.** (1) Section 231.3 of the Act is amended by replacing the second paragraph by the following paragraph:

“The first paragraph applies only if possession or use of at least 10% of the residential units in the complex is intended to be given for the purpose of their occupancy as a place of residence or lodging by

(1) seniors;

(2) youths;

(3) students;

(4) persons with a disability;

(5) persons in distress or persons in need of assistance;

(6) individuals whose eligibility for occupancy of the units as a place of residence or lodging, or for reduced payments in respect of their occupancy as a place of residence or lodging, is dependent on a means or income test; or

(7) individuals for whose benefit no other persons (other than public sector bodies) pay consideration for supplies that include giving possession or use of the units for occupancy by the individuals as a place of residence or

lodging and who either pay no consideration for the supplies or pay consideration that is significantly less than the consideration that could reasonably be expected to be paid for comparable supplies made by a person in the business of making such supplies for the purpose of earning a profit.”

(2) Subsection 1 applies in respect of a residential complex or an addition to a residential complex if the particular time is

(1) after 26 February 2008; or

(2) before 27 February 2008, in the case where the builder of the residential complex or addition

(a) would have been deemed under any of sections 223 to 231.1 of the Act to have made, at the particular time, a taxable supply by way of sale of the residential complex or addition if any of sections 223, 225, 226 and 231.1 of the Act, as amended by this Act, had applied at that time; and

(b) has reported an amount as or on account of tax, as a result of the builder applying sections 223 to 231.1 of the Act in respect of the residential complex or addition, in the builder’s return filed under Chapter VIII of Title I of the Act for a reporting period the return for which is filed before 27 February 2008 or is required under that chapter to be filed on or before a day that is before that date.

(3) For the purposes of subsection 2, the particular time in respect of a residential complex or an addition to a residential complex is the later of

(1) the time the construction or substantial renovation of the residential complex or addition is substantially completed; and

(2) the time the builder of the residential complex or addition first gives possession or use of the residential complex or a residential unit in the complex or addition to a person for the purpose of the occupancy of the residential complex or residential unit by an individual as a place of residence or, if it is earlier, the time the residential complex or a residential unit in the complex or addition is occupied by the builder as a place of residence.

**509.** (1) Section 247 of the Act, amended by section 616 of chapter 5 of the statutes of 2009, is again amended by replacing “99R2” in subparagraph 1 of the second paragraph by “99R1”.

(2) Subsection 1 has effect from 4 March 2009.

**510.** (1) Section 248 of the Act, replaced by section 617 of chapter 5 of the statutes of 2009, is amended by replacing “99R2” by “99R1”.

(2) Subsection 1 has effect from 4 March 2009.

**511.** Section 350.17 of the Act is amended by replacing “émet” and “émis” in paragraph 5 in the French text by “délivre” and “délivré”, respectively.

**512.** (1) Section 378.1 of the Act is replaced by the following section:

**“378.1.** Subject to section 378.3, each person (in this subdivision referred to as the “landlord”) who is an owner or lessee of land and is not the particular lessee and who makes an exempt supply of land described in section 99 or 99.0.1 to a particular lessee who is acquiring the land for the purpose of making a supply of an immovable or service that includes the land or a supply of a lease, licence or similar arrangement in respect of an immovable that includes the land, is entitled to a rebate determined in accordance with section 378.2 if

(1) the supply is an exempt supply of an immovable or service, other than a supply that is exempt only because of paragraph 2 of section 98, that

(a) includes giving possession or use of a residential complex, or of a residential unit forming part of a residential complex, to another person under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence or lodging, or

(b) is described in section 100, other than an exempt supply described in subparagraph 1 of the first paragraph of that section made to a person described in subparagraph *b* of that subparagraph 1; and

(2) as a result of the supply, the particular lessee is deemed under any of sections 222.1 to 222.3 and 223 to 231.1 to have made a supply of an immovable that includes the land at a particular time.”

(2) Subsection 1 applies in respect of

(1) a supply of land made to a particular lessee that is deemed under any of sections 222.1 to 222.3 and 223 to 231.1 of the Act to have made, after 26 February 2008, another supply of an immovable that includes the land; and

(2) a supply of land made by a person to a particular lessee if

(a) the particular lessee was deemed under any of sections 222.1 to 222.3 and 223 to 231.1 of the Act to have made, before 27 February 2008, another supply of an immovable that includes the land;

(b) the supply would be described in section 99.0.1 of the Act if that section, as enacted by this Act, had applied; and

(c) the person did not, before 27 February 2008, charge, collect or remit an amount as or on account of tax under Title I of the Act in respect of the

supply or any other supply of the land made by the person that would be described in either of sections 99 and 99.0.1 of the Act, if those sections, as amended and enacted respectively by this Act, had applied.

(3) If paragraph 2 of subsection 2 applies,

(1) each person (in this subsection referred to as the “landlord”) who is an owner or lessee of land and who is not the particular lessee may, despite section 378.3 of the Act, file an application for a rebate under section 378.1 of the Act before 27 February 2010;

(2) the application may, despite the second paragraph of section 403 of the Act, be the second application of the landlord for the rebate if the landlord has filed, before 27 February 2008, another application for the rebate and the other application has been assessed before the landlord files the second application;

(3) sections 99 and 99.0.1 of the Act, as amended and enacted respectively by this Act, apply for the purposes of Title I of the Act, in respect of the application described in paragraph 1; and

(4) a rebate is not payable under section 378.1 of the Act, as amended by subsection 1, to a person who is not a landlord of the land at the time the application for the rebate is filed.

**513.** (1) Section 378.4 of the Act is amended, in the definition of “qualifying residential unit”,

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

“*i.* for the purpose of making exempt supplies referred to in any of sections 97.1, 99, 99.0.1 and 100,”;

(2) by inserting the following subparagraph after subparagraph *i* of subparagraph *b* of paragraph 1:

“*i.1.* for the purpose of making exempt supplies of properties or services that include giving possession or use of the residential unit to a person under a lease, licence or similar arrangement to be entered into for the purpose of its occupancy by an individual as a place of residence, or”.

(2) Subsection 1 applies in respect of a taxable supply by way of sale

(1) of a residential complex, or of an addition to a multiple unit residential complex, that is deemed to have been made under any of sections 223 to 231.1 of the Act, if tax in respect of the supply is deemed under those sections to have been paid after 26 February 2008;

(2) of a residential complex, or of an interest in a residential complex, to a person (in this subsection and subsection 3 referred to as the “particular person”) from another person, if tax under Title I of the Act in respect of the supply first becomes payable after 26 February 2008;

(3) of a residential complex, or of an addition to a multiple unit residential complex, that is deemed to have been made under any of sections 223 to 231.1 of the Act, if

(a) tax in respect of the supply is deemed under those sections to have been paid by a particular person on a particular day that is before 27 February 2008;

(b) the particular person has reported the tax in the particular person’s return filed under Chapter VIII of Title I of the Act for the reporting period of the particular person that includes the particular day; and

(c) the particular person has remitted all net tax remittable, if any, as reported in that return; or

(4) of a residential complex, or of an interest in a residential complex, from a person to a particular person that is not the builder of the complex, if tax under Title I of the Act in respect of the supply first becomes payable before 27 February 2008 and the particular person has paid all of the tax.

(3) If paragraph 3 or 4 of subsection 2 applies,

(1) the particular person referred to in those paragraphs may, despite paragraph 1 of section 378.16 of the Act, file, before 27 February 2010, an application for a rebate in respect of the tax under section 378.6 of the Act; and

(2) the application may, despite the second paragraph of section 403 of the Act, be the second application of the particular person for the rebate if the particular person has filed, before 27 February 2008, another application for the rebate and the other application has been assessed before the particular person files the second application.

**514.** (1) Section 378.6 of the Act is amended by replacing subparagraph *b* of paragraph 1 by the following subparagraph:

“(b) the builder of a residential complex, or of an addition to a multiple unit residential complex, that gives possession or use of a residential unit in the residential complex or addition to another person under a lease, licence or similar arrangement entered into for the purpose of its occupancy by an individual as a place of residence that results in the person being deemed under any of sections 223 to 231.1 to have made and received a taxable supply by way of sale (in this section and section 378.7 referred to as the “deemed purchase”) of the complex or addition;”.

(2) Subsection 1 applies in respect of a taxable supply by way of sale

(1) of a residential complex, or of an addition to a multiple unit residential complex, that is deemed to have been made under any of sections 223 to 231.1 of the Act, if tax in respect of the supply is deemed under those sections to have been paid after 26 February 2008;

(2) of a residential complex, or of an interest in a residential complex, to a person (in this subsection and subsection 3 referred to as the “particular person”) from another person, if tax under Title I of the Act in respect of the supply first becomes payable after 26 February 2008;

(3) of a residential complex, or of an addition to a multiple unit residential complex, that is deemed to have been made under any of sections 223 to 231.1 of the Act, if

(a) tax in respect of the supply is deemed under those sections to have been paid by a particular person on a particular day that is before 27 February 2008;

(b) the particular person has reported the tax in the particular person’s return filed under Chapter VIII of Title I of the Act for the reporting period of the particular person that includes the particular day; and

(c) the particular person has remitted all net tax remittable, if any, as reported in that return; or

(4) of a residential complex, or of an interest in a residential complex, from a person to a particular person that is not the builder of the complex, if tax under Title I of the Act in respect of the supply first becomes payable before 27 February 2008 and the particular person has paid all of the tax.

(3) If paragraph 3 or 4 of subsection 2 applies,

(1) the particular person referred to in those paragraphs may, despite paragraph 1 of section 378.16 of the Act, file, before 27 February 2010, an application for a rebate in respect of the tax under section 378.6 of the Act; and

(2) the application may, despite the second paragraph of section 403 of the Act, be the second application of the particular person for the rebate if the particular person has filed, before 27 February 2008, another application for the rebate and the other application has been assessed before the particular person files the second application.

**515.** (1) The Act is amended by inserting the following section after section 378.15:



**378.15.1.** For the purpose of determining the amount of a particular rebate in respect of a residential complex, an interest in a residential complex or an addition to a multiple unit residential complex payable to a person under sections 378.6 to 378.11, the total amount of the tax under section 16 included in the calculation made under the formula in those sections is to be reduced by the total of all rebates payable to the person under sections 670.1 to 670.87 in respect of the residential complex, interest or addition, if the person

(1) was not entitled to the particular rebate under sections 378.4 and 378.6 as they read before 26 February 2008; and

(2) is entitled to the particular rebate under sections 378.4 and 378.6.”

(2) Subsection 1 has effect from 1 July 2006.

**516.** Section 425 of the Act is amended by replacing “émis” in the portion before subparagraph 1 of the first paragraph in the French text by “délivré”.

**517.** Section 425.1 of the Act is amended by replacing “émis” in the first paragraph in the French text by “délivré”.

**518.** (1) Section 456 of the Act, amended by section 666 of chapter 5 of the statutes of 2009, is again amended by replacing “99R2” in the portion of the first paragraph before the formula by “99R1”.

(2) Subsection 1 has effect from 4 March 2009.

**519.** (1) Section 457.1 of the Act is amended

(1) by replacing subparagraph 2 of the first paragraph by the following subparagraph:

“(2) one or both of the following situations apply:

(a) section 421.1 of the Taxation Act (chapter I-3) applies, or would apply if the person were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount (other than an amount referred to in section 421.1.1 of that Act) paid or payable in respect of the human consumption of food or beverages or the enjoyment of entertainment and section 421.1 of that Act deems the composite amount or that part to be 50% of a particular amount, or

(b) section 421.1.1 of the Taxation Act applies, or would apply if the person were a taxpayer under that Act, to all of the composite amount or that part of it that is, for the purposes of that Act, an amount paid or payable in respect of the consumption of food or beverages by a long-haul truck driver, within the meaning of section 421.1.1 of that Act, during the eligible travel

period, within the meaning of section 421.1.1 of that Act, and section 421.1.1 of that Act deems the composite amount or that part to be a percentage of a specified particular amount; and”;

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

“ $[50\% \times (A/B) \times C] + [D \times (E/B) \times C]$ .”;

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

“For the purposes of this formula,

(1) A is

(a) in the case where subparagraph *a* of subparagraph 2 of the first paragraph applies, the particular amount, and

(b) in any other case, zero;

(2) B is the composite amount;

(3) C is the input tax refund;

(4) D is

(a) 40%, in the case where the particular period begins after 19 March 2007 and ends before 1 January 2008,

(b) 35%, in the case where the particular period is the year 2008,

(c) 30%, in the case where the particular period is the year 2009,

(d) 25%, in the case where the particular period is the year 2010, and

(e) 20%, in the case where the particular period begins after the year 2010; and

(5) E is

(a) in the case where subparagraph *b* of subparagraph 2 of the first paragraph applies, the specified particular amount, and

(b) in any other case, zero.”;

(4) by inserting the following paragraph after the fourth paragraph:

“For the purposes of this section, the particular period is

(a) a period in which tax under Title I becomes due, or is paid without having become due, in respect of a supply of food, beverages or entertainment, but in which no reimbursement or allowance is paid in respect of the supply; or

(b) a period in which an amount is paid as a reimbursement or allowance in respect of a supply of food, beverages or entertainment.”

(2) Subsection 1 applies in respect of

(1) an amount relating to a supply of food, beverages or entertainment if tax under Title I of the Act in respect of the supply becomes due after 19 March 2007 or is paid after that date without having become due, and no allowance or reimbursement is paid in respect of the supply; and

(2) an amount paid after 19 March 2007 as an allowance or reimbursement in respect of a supply of food, beverages or entertainment.

**520.** (1) The Act is amended by inserting the following sections after section 457.7:

**“457.8.** A person may make an election in respect of a residential complex, or of an addition to a multiple unit residential complex, for a particular reporting period if

(1) the person is the builder of the residential complex or addition;

(2) the person is deemed under any of sections 223, 225 and 226 to have made and received, at a particular time that is before 27 February 2008, a taxable supply by way of sale of the residential complex or addition and to have paid as a recipient and to have collected as a supplier a particular amount of tax in respect of that supply;

(3) the person has not reported an amount as or on account of tax in respect of the taxable supply in the person’s return filed under this chapter for a reporting period the return for which is filed before 27 February 2008 or is required under this chapter to be filed on or before that date;

(4) the person would be entitled to claim

(a) a rebate under section 378.6 in respect of the residential complex or addition that is determined based on the particular amount of tax if

i. section 378.6 were applied without reference to section 378.16, and

ii. the amount determined for B in the formula in the first paragraph of section 378.7 for a qualifying residential unit, within the meaning of section 378.4, that forms part of the residential complex or addition were less than \$225,000, or

(b) a rebate under section 378.14 that is determined based on the rebate to which the person would be entitled under paragraph *d* of subsection 1 of section 236.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) if

- i. section 378.14 were applied without reference to section 378.16, and
- ii. the election provided for in subsection 1 of section 236.4 of the Excise Tax Act were made in accordance with that subsection;

(5) the person did not supply to another person by way of sale the residential complex or addition before 27 February 2008;

(6) the particular reporting period ends before 27 February 2010;

(7) the election is filed with the Minister, in the prescribed form containing prescribed information, not later than the day on or before which the person is required to file a return, under this chapter, for the particular reporting period; and

(8) the person has not made another election under this section in respect of the residential complex or addition.

**“457.9.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, for a reporting period, the person shall, in determining the net tax for that period, add the positive amount or deduct the negative amount determined by the formula

$$(A - B) - C.$$

For the purposes of this formula,

(1) A is the particular amount of tax referred to in paragraph 2 of section 457.8;

(2) B is

(a) the amount of the rebate that the person would be entitled, if section 378.6 were applied without reference to section 378.16, to claim under section 378.6 in respect of the residential complex or addition, that is determined based on the particular amount of tax, or

(b) the amount of the rebate that the person would be entitled, if section 378.14 were applied without reference to section 378.16, to claim under section 378.14, that is determined based on the rebate to which the person is entitled under paragraph *d* of subsection 1 of section 236.4 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15); and

(3) C is the amount determined by the formula

$$C_1 - C_2.$$

For the purposes of the formula in subparagraph 3 of the second paragraph,

(1)  $C_1$  is the total of all amounts each of which is an input tax refund of the person

(a) that is in respect of property or a service acquired or brought into Québec, before the particular time referred to in paragraph 2 of section 457.8, for consumption or use for the purpose of making the supply referred to in that paragraph, and

(b) in respect of which the person satisfies the requirements of the first paragraph of section 201 at the time the election under section 457.8 is filed; and

(2)  $C_2$  is the total of all amounts each of which is an amount included in the determination of  $C_1$ , but only to the extent that the amount can reasonably be regarded as an amount that

(a) was claimed or included as an input tax refund or deduction in determining the net tax for the reporting period or a preceding reporting period of the person,

(b) has previously been rebated, refunded or remitted to the person, or that the person is entitled to obtain as a rebate, refund or remission, or

(c) is included in an adjustment, refund or credit for which a credit note referred to in section 449 has been received by the person or a debit note referred to in that section has been issued by the person.

**“457.10.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, for a reporting period, the person is deemed

(1) to have been deemed—under section 223 if the election is made in respect of a single unit residential complex or a residential unit held in co-ownership, under section 225 if the election is made in respect of a multiple unit residential complex or under section 226 if the election is made in respect of an addition—to have made and received, at the particular time referred to in paragraph 2 of section 457.8, a taxable supply of the residential complex or addition by way of sale and to have paid as a recipient and to have collected as a supplier tax in respect of the supply equal to the particular amount of tax referred to in that paragraph;

(2) to have claimed each amount that is included in the determination of  $C_1$  in the formula in subparagraph 3 of the second paragraph of section 457.9 as an input tax refund in determining the person's net tax for the reporting period, but only to the extent that the amount is not included in the determination of  $C_2$  in that formula;

(3) to have claimed and received a rebate under section 378.6 or 378.14, in respect of the residential complex or addition, equal to the amount determined for B in the formula in the first paragraph of section 457.9; and

(4) not to be required to include the particular amount of tax deemed to have been collected under paragraph 1 for the purpose of determining the person's net tax for the reporting period that includes the particular time, other than for the purpose of including the particular amount in the determination of A in the formula in the first paragraph of section 457.9.

**“457.11.** For the purposes of section 431, if a person makes an election under section 457.8, an input tax refund in respect of the residential complex or addition that the person is deemed to have received under paragraph 1 of section 457.10 is deemed to be an input tax refund for the person's reporting period that includes 26 February 2008 and not an input tax refund for any other reporting period.

**“457.12.** If a person makes an election under section 457.8 in respect of a residential complex, or of an addition to a multiple unit residential complex, section 25 of the Act respecting the Ministère du Revenu (chapter M-31) applies to any assessment or reassessment of an amount added to, or deducted from, net tax by the person in respect of the residential complex or addition.

However, the Minister has until the day that is four years after the day on or before which the election under section 457.8 is required to be filed with the Minister to make any assessment or reassessment for the purpose of taking into account an amount that is, or is required to be, added or subtracted in determining the amount determined under the formula in the first paragraph of section 457.9.

**“457.13.** For the purposes of sections 457.8 to 457.12, if a person is the builder of an addition to a residential complex and is eligible to make an election under section 457.8 in respect of the addition or the remainder of the residential complex, the addition and the remainder of the residential complex are each deemed to be a separate property.”

(2) Subsection 1 applies in respect of a reporting period that ends after 25 February 2008.

**521.** (1) Section 458.0.3 of the Act is amended by replacing “\$1,500” by “\$3,000”.

(2) Subsection 1 applies to a reporting period that begins after 31 December 2007.

**522.** (1) Section 460 of the Act is amended by replacing “\$500,000” in the first paragraph by “\$1,500,000”.

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2007.

**523.** (1) Section 461 of the Act is amended by replacing “\$500,000” in paragraphs 2 and 3 by “\$1,500,000”.

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2007.

**524.** Section 473.4 of the Act is replaced by the following section:

“**473.4.** Subject to sections 39, 39.2 and 61.1 of the Act respecting the Ministère du Revenu (chapter M-31), a registrant is not required to file a return under section 468 for a designated reporting period of the registrant if the cumulative amount for the period does not exceed \$1,000.”

**525.** Section 477.1 of the Act is amended by replacing “émis” and “émise” in subparagraph 3 of the first paragraph in the French text by “délivré” and “délivrée”, respectively.

**526.** Section 490 of the Act is amended by replacing “émis” in subparagraph 2 of the second paragraph in the French text by “délivré”.

**527.** (1) Section 499.3 of the Act is amended by replacing “\$1,500” by “\$3,000”.

(2) Subsection 1 applies to a reporting period that begins after 31 December 2007.

**528.** (1) Section 499.4 of the Act is amended by replacing “\$1,500” in subparagraph *b* of paragraph 1 by “\$3,000”.

(2) Subsection 1 applies to a reporting period that begins after 31 December 2007.

**529.** (1) Section 499.6 of the Act is amended by replacing “\$1,500” in paragraph 3 by “\$3,000”.

(2) Subsection 1 applies to a reporting period that begins after 31 December 2007.

**530.** Section 528 of the Act is amended by replacing “Part I” in paragraph 1 by “Title I”.

**531.** Section 651 of the Act is amended by replacing “émet” in the first paragraph in the French text by “délivre”.

**532.** Section 652 of the Act is amended by replacing “émise” in the French text by “délivrée”.

**533.** Section 653 of the Act is amended by replacing “émettre” in the French text by “délivrer”.

**534.** Section 654 of the Act is amended by replacing “émet” in the French text by “délivre”.

**535.** Section 677 of the Act, amended by section 673 of chapter 5 of the statutes of 2009, is again amended, in the first paragraph, by striking out subparagraph 38.

**536.** Section 685 of the Act is amended by replacing “émis” in paragraph 4 in the French text by “délivré”.

#### FUEL TAX ACT

**537.** Section 39 of the Fuel Tax Act (R.S.Q., chapter T-1) is amended by replacing “section 40.1” in the third paragraph by “section 40 or 40.1.0.1 of the Act respecting the Ministère du Revenu (chapter M-31)”.

**538.** Section 40 of the Act is amended by replacing “section 40.1” in the second paragraph by “section 40 or 40.1.0.1 of the Act respecting the Ministère du Revenu (chapter M-31)”.

**539.** Sections 40.1 to 40.8 and 48 of the Act are repealed.

#### ACT TO AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS

**540.** (1) Section 160 of the Act to amend the Taxation Act and other legislative provisions (2001, chapter 7) is amended by replacing “paragraph *c* of that section” in paragraph 2 of subsection 3 by “paragraph *b* of that section”.

(2) Subsection 1 has effect from 23 May 2001.



ACT TO AMEND THE TAXATION ACT AND OTHER LEGISLATIVE PROVISIONS

**541.** (1) Section 191 of the Act to amend the Taxation Act and other legislative provisions (2004, chapter 8) is amended by replacing subsection 2 by the following subsection:

“(2) Subsection 1 has effect from 2 October 1996. However,

(1) where the portion of paragraph *b* of section 1094 of the said Act before subparagraph *i*, enacted by paragraph 2 of subsection 1, applies before 24 December 1998, it shall be read as follows:

“(b) a capital property used in Québec by the taxpayer in carrying on a business, other than”;

(2) where the portion of paragraph *c.1* of section 1094 of the said Act before subparagraph *i*, and paragraph *d* of that section, apply after 1 October 1996 and before 26 November 1999, they shall be read as if “on a Canadian stock exchange or a foreign stock exchange” was replaced wherever it appears by “on a prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20”.

(2) Subsection 1 has effect from 7 June 2004.

**542.** (1) Section 195 of the Act is amended by replacing subsection 3 by the following subsection:

“(3) Paragraphs 3 to 5 of subsection 1 have effect from 28 June 1999. However, where paragraph *b* of section 1102.4 of the said Act applies after 27 June 1999 and before 26 November 1999, it shall be read as if “on a Canadian stock exchange or a foreign stock exchange” was replaced by “on a prescribed stock exchange for the purposes of paragraph *d* of section 21.11.20”.

(2) Subsection 1 has effect from 7 June 2004.

TRANSITIONAL AND FINAL PROVISIONS

**543.** The agreements entered into before 1 February 2008 by the Minister of Revenue under section 17 of the Tobacco Tax Act (R.S.Q., chapter I-2) are void in respect of cigars sold after 31 January 2008.

**544.** Every regulation made by the Government under a provision of the Tobacco Tax Act or of the Fuel Tax Act (R.S.Q., chapter T-1) that was repealed by any of sections 20, 22 and 539 of this Act remains in force until it is replaced or repealed and is deemed to have been made under this Act.

**545.** Every act performed and every decision made under a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by any of sections 20, 22 and 539 of this Act retains its effect if it continues to serve a useful purpose. If it continues to do so, it is deemed to have been performed or made under the corresponding provisions of this Act.

**546.** Every act begun before 4 June 2009 which did not conflict with a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by any of sections 20, 22 and 539 of this Act is continued, unless otherwise specially provided, in accordance with this Act.

**547.** Every pleading drawn up before 4 June 2009 in accordance with a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by any of sections 20, 22 and 539 of this Act is valid until such time as the object of the pleading is achieved.

**548.** Search warrants issued under a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by section 20 or 539 of this Act remain valid, but the search must be carried out in accordance with the corresponding provisions of this Act.

**549.** Applications made before 4 June 2009 which did not conflict with a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by any of sections 20, 22 and 539 of this Act are continued in accordance with the corresponding provisions of this Act.

**550.** For greater certainty, this Act applies, with the necessary modifications, to a thing seized under a provision of the Tobacco Tax Act or of the Fuel Tax Act that was repealed by section 20 or 539 of this Act.

**551.** This Act comes into force on 4 June 2009.