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# NATIONAL ASSEMBLY

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SECOND SESSION

THIRTY-NINTH LEGISLATURE

## **Bill 63**

(2012, chapter 8)

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

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**Introduced 18 April 2012  
Passed in principle 1 May 2012  
Passed 9 May 2012  
Assented to 9 May 2012**

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## EXPLANATORY NOTES

*This Act amends various legislation to, among other things, give effect to measures announced in the Budget Speech delivered on 17 March 2011 and in Information Bulletins published by the Ministère des Finances in 2010 and 2011.*

*The Tax Administration Act is amended to*

*(1) allow the Minister of Revenue to enter into an agreement with the Government of Canada entrusting to the latter the administration and application of a fiscal law with regard to certain financial institutions; and*

*(2) set the same time limit for tabling the detailed statement of remissions and the statistical summary of waivers and cancellations as for tabling the management report of the Agence du revenu du Québec in the National Assembly.*

*The Act respecting parental insurance and the Act respecting the Québec Pension Plan are amended to adjust the manner in which the contributory income of family-type resources and certain intermediate resources is to be computed. In addition, amendments are made to those Acts and the Taxation Act to provide that source deductions tables will be posted only on the Revenu Québec website.*

*Amendments are made to the Act constituting Capital régional et coopératif Desjardins, the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi and the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) to recognize new investments for the purposes of their investment standards. The rules setting Fondation's annual capitalization limit are modified so that they will be better adapted to the method by which Fondation shares are subscribed.*

*The Taxation Act is amended to introduce, amend or abolish fiscal measures specific to Québec. More specifically, the amendments deal with*

*(1) the extension of the time limit for filing an application for advance payments of the tax credit for child care expenses and of the work premium;*

(2) *the introduction of a tax credit to provide relief from potential provincial double taxation of the income from an office or employment of an individual not resident in Canada;*

(3) *the relaxation of the tax credit for scientific research and experimental development; and*

(4) *the legal effects of the replacement or revocation of a document for the purposes of various tax incentives.*

*The Act also amends the Taxation Act and the Tax Administration Act to make amendments similar to those made to the Income Tax Act of Canada by Bill C-13 (Statutes of Canada, 2011, chapter 24), assented to on 15 December 2011. It thus gives effect mainly to harmonization measures announced in Information Bulletins 2011-3 dated 6 July 2011 and 2011-5 dated 21 December 2011 published by the Ministère des Finances. More specifically, the amendments deal with*

(1) *the introduction of a volunteer firefighters tax credit;*

(2) *a broadening of the tax credit for tuition fees and examination fees;*

(3) *a restructuring of the classes of qualified donees and a tightening of the rules applicable to them for the purposes of the deduction and tax credit for gifts;*

(4) *the application of the tax on split income to certain transactions resulting in a capital gain;*

(5) *the rules on the minimization of losses on the redemption of shares held by a corporation; and*

(6) *a more restrictive tax treatment of incorporeal assets and of certain expenditures in the oil sands sector.*

*Moreover, the Act amends the Act respecting the Québec sales tax to make amendments similar to those made to the Excise Tax Act by Bill C-9 (Statutes of Canada, 2010, chapter 12), assented to on 12 July 2010, and Bill C-3 (Statutes of Canada, 2011, chapter 15), assented to on 26 June 2011. It thus gives effect mainly to harmonization measures announced in Information Bulletins 2009-9 dated 22 December 2009 and 2010-8 dated 21 December 2010 published by the Ministère des Finances. More specifically, the amendments deal with*

*(1) imported supplies between a person's permanent establishments; and*

*(2) a tax rebate to the Royal Canadian Legion.*

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

**LEGISLATION AMENDED BY THIS ACT:**

- Tax Administration Act (R.S.Q., chapter A-6.002);
- Act respecting parental insurance (R.S.Q., chapter A-29.011);
- Act constituting Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1);
- Taxation Act (R.S.Q., chapter I-3);
- Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5);
- Act respecting the Québec Pension Plan (R.S.Q., chapter R-9);
- Act respecting the Québec sales tax (R.S.Q., chapter T-0.1).

## Bill 63

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

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### TAX ADMINISTRATION ACT

**1.** The Tax Administration Act (R.S.Q., chapter A-6.002) is amended by inserting the following section after section 9.0.1:

**“9.0.1.1.** The Minister may, with the authorization of the Government, enter into any agreement with the Government of Canada entrusting to the Government of Canada the administration and application of any fiscal law or any regulation made under such a law with regard to the selected listed financial institutions within the meaning of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) and the financial institutions that would be selected listed financial institutions within the meaning of Part IX of the Excise Tax Act if Québec were a participating province under that Part.”

**2.** (1) Section 34 of the Act is amended by replacing the first paragraph of subsection 2 by the following paragraph:

“(2) Every municipality to which paragraph *a* of the definition of “qualified donee” in section 999.2 of the Taxation Act (chapter I-3) applies, provided that it is a Québec municipality, and every person referred to in any of paragraphs *b* to *g* of that definition shall keep, at a place designated by the Minister, registers and a duplicate of each receipt containing prescribed information.”

(2) Subsection 1 has effect from 1 January 2012.

**3.** (1) Section 36.0.1 of the Act is amended by replacing the portion of the second paragraph before subparagraph *a* by the following:

“In the case described in the first paragraph of section 1029.6.0.1.2 of the Taxation Act or in the seventh or eighth paragraph of section 1029.8.36.0.3.80 of that Act, the Minister may, under section 36, extend the time limit for filing a prescribed form containing prescribed information and, if applicable, a copy of certain documents only if”.

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

**4.** Section 69.0.1 of the Act is amended by inserting the following paragraph after paragraph *a.0.1*:

“(a.0.2) for the purposes of an agreement entered into under section 9.0.1.1 by the Minister and the Government of Canada, be communicated to that government or any of its bodies;”.

**5.** (1) Section 93.1.1 of the Act is amended, in the second paragraph,

(1) by replacing “qualified wages” by “eligible wages”;

(2) by replacing “net remuneration” by “eligible remuneration”.

(2) Paragraph 2 of subsection 1 has effect from 1 January 2012.

**6.** (1) Section 93.1.9.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“**93.1.9.1.** A person may, within 90 days after the date of sending of the notice provided for in any of sections 985.4.3, 985.6 to 985.8.1, 985.8.5, 985.8.6, 985.23.9, 999.3 and 1064 of the Taxation Act (chapter I-3), object to the notice by notifying a notice of objection to the Minister, setting out the reasons for the objection and all the relevant facts. Sections 93.1.3 to 93.1.7, 93.1.9 and 93.1.14 apply, with the necessary modifications.”

(2) Subsection 1 has effect from 1 January 2012.

**7.** (1) Section 93.1.9.2 of the Act is replaced by the following section:

“**93.1.9.2.** If a qualified donee, within the meaning of section 1 of the Taxation Act (chapter I-3), notified a notice of objection to a suspension provided for in section 999.3 of that Act, the donee may apply to a judge of the Court of Québec for a postponement of that portion of the period of suspension that has not elapsed until the time determined by the judge.”

(2) Subsection 1 has effect from 1 January 2012.

**8.** (1) Section 93.1.10.1 of the Act is amended

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

“(a) confirms a proposal, decision or designation in respect of which a notice was issued by the Minister under any of sections 985.4.3, 985.6 to 985.8.1, 985.8.5, 985.8.6, 985.23.9, 999.3 and 1064 of the Taxation Act (chapter I-3), to a person that is or was registered or recognized as a registered Canadian amateur athletic association, a registered Québec amateur athletic association, a registered charity, a registered museum, a registered cultural or communications

organization or a recognized political education organization, as the case may be, or is an applicant for registration or recognition as such; or”;

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

“For the purposes of the first paragraph, “registered Canadian amateur athletic association”, “registered Québec amateur athletic association”, “registered charity”, “registered museum”, “registered cultural or communications organization” and “recognized political education organization” have the meaning assigned by section 1 of the Taxation Act.”

(2) Subsection 1 has effect from 1 January 2012.

**9.** (1) Section 93.1.15 of the Act is amended by striking out subparagraph *a* of the first paragraph.

(2) Subsection 1 has effect from 1 January 2012.

**10.** (1) Section 93.1.16 of the Act is replaced by the following section:

**“93.1.16.** For the purposes of subparagraphs *d* and *e* of the first paragraph of section 93.1.15, the Minister is deemed to have refused an application for registration if the Minister has not disposed of the application within 180 days after the day of mailing of the application.”

(2) Subsection 1 has effect from 1 January 2012.

**11.** (1) Section 93.2 of the Act is amended by replacing “net remuneration” in paragraph *h.3* by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

**12.** (1) Section 94 of the Act is amended by replacing the third paragraph by the following paragraph:

“The Minister shall table in the National Assembly a detailed statement of the remissions that were made during a fiscal year of the Agency within the same time limit as that provided for in section 76 of the Act respecting the Agence du revenu du Québec (chapter A-7.003) for the tabling of documents referred to in that section and relating to that fiscal year.”

(2) Subsection 1 has effect from 1 April 2011.

**13.** Section 94.0.3.1 of the Act is amended by replacing “exemption period” by “tax-free period”.

**14.** Section 94.0.3.2 of the Act is amended by replacing “exemption period” in the following provisions by “tax-free period”:

- the portion of the first paragraph before subparagraph *a*;
- subparagraph *c* of the first paragraph;
- subparagraph *v* of subparagraph *a* of the second paragraph;
- subparagraph *v* of subparagraph *b* of the second paragraph.

**15.** Section 94.0.3.3 of the Act is amended by replacing both occurrences of “exemption period” in the first paragraph by “tax-free period”.

**16.** (1) Section 94.1 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“The Minister shall table in the National Assembly a statistical summary of the waivers and cancellations that were made during a fiscal year of the Agency, within the same time limit as that provided for in section 76 of the Act respecting the Agence du revenu du Québec (chapter A-7.003) for the tabling of documents referred to in that section and relating to that fiscal year.”

(2) Subsection 1 has effect from 1 April 2011.

#### ACT RESPECTING PARENTAL INSURANCE

**17.** (1) Section 22 of the Act respecting parental insurance (R.S.Q., chapter A-29.011) is amended by replacing “net remuneration” in paragraph 3 by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

**18.** (1) Section 37 of the Act is amended by replacing “net remuneration” by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

**19.** (1) Section 43 of the Act is amended, in the first paragraph,

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

““eligible remuneration” of a person for a year means the aggregate of all amounts each of which is the person’s remuneration for the year for services provided as a person responsible for a family-type resource or an intermediate resource, determined in accordance with section 43.0.1;”;

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

““work income” of a person for a year means the aggregate of the person’s income for the year which is either the person’s eligible wages for that year in



respect of an employment, in relation to an establishment, the person's business income for the year or the person's eligible remuneration for the year."

(2) Subsection 1 has effect from 1 January 2012.

**20.** (1) The Act is amended by inserting the following sections after section 43:

**"43.0.1.** The remuneration of a person for a year for services provided as a person responsible for a particular family-type resource or intermediate resource is equal to the amount by which the aggregate of all amounts each of which is an amount received by the particular resource in the year as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services (chapter S-4.2) applies, exceeds the total of

(1) the portion of that aggregate which, under a group agreement governing the payment of the remuneration or, in the absence of such an agreement, under a decision of the Minister of Health and Social Services made with the authorization of the Conseil du trésor under subparagraph 2 of the third paragraph of section 303 of that Act, is attributable to the total of

(a) the amount of reasonable operating expenses incurred in the course of providing services of the particular resource, and

(b) the aggregate of the financial compensation referred to in subparagraphs *b* and *c* of paragraph 4 of section 34 of the Act respecting the representation of family-type resources and certain intermediate resources and the negotiation process for their group agreements (chapter R-24.0.2); and

(2) the portion of that aggregate that is the total of all amounts each of which is an expense described in section 43.0.2 for the year to allow the particular resource to receive assistance or be replaced in the course of providing services.

However, where more than one person is a person responsible for a family-type resource or an intermediary resource in a year, the remuneration of each person for the year for services provided as a person responsible for such a resource is equal to the product obtained by multiplying the amount determined for the year in respect of the resource under the first paragraph by the percentage representing the person's share in the aggregate of the amounts received by the resource in the year as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies.

**"43.0.2.** An expense to which subparagraph 2 of the first paragraph of section 43.0.1 refers is an amount paid for a year by a family-type resource or an intermediary resource for the services of an individual acting as an assistant or replacement and corresponds to

(1) in the case of a service provided by an employee of the resource, the aggregate of

(a) the employee's wages in respect of the service,

(b) each of the amounts paid in respect of the employee, in relation to the wages referred to in subparagraph *a*, under

i. section 315 of the Act respecting industrial accidents and occupational diseases (chapter A-3.001),

ii. section 59,

iii. section 39.0.2 of the Act respecting labour standards (chapter N-1.1),

iv. section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5),

v. section 52 of the Act respecting the Québec Pension Plan (chapter R-9),  
or

vi. section 68 of the Employment Insurance Act (Statutes of Canada, 1996, chapter 23), and

(c) the fees paid for a payroll processing service for the payment of the wages referred to in subparagraph *a*; or

(2) in the case of a service provided by a person (other than a person who is an employee of the resource) or a partnership, the amount that is the cost of the service, including, if applicable, the tax payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or the tax payable under the Act respecting the Québec sales tax (chapter T-0.1) in respect of the service.”

(2) Subsection 1 has effect from 1 January 2012.

**21.** (1) Section 49 of the Act is amended by replacing “net remuneration” by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

**22.** Section 60 of the Act is amended

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

“For the purposes of the regulations made under this section, the Minister shall draw up tables determining the amounts to be deducted from the wages paid to an employee in a particular period and shall post them on the Revenu Québec website.”;

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

“The Minister shall publish in the *Gazette officielle du Québec* a notice of the date of coming into force of the tables and the address of the website on which they are posted.”

**23.** (1) Section 66 of the Act is amended by replacing “net remuneration” in paragraph 1 by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

**24.** (1) Section 94 of the Act is amended by replacing “net remuneration” in subparagraph 4 of the first paragraph by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

#### ACT CONSTITUTING CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

**25.** (1) Section 18 of the Act constituting Capital régional et coopératif Desjardins (R.S.Q., chapter C-6.1) is amended by replacing the third paragraph by the following paragraph:

“For the purposes of this Act, the assets or net equity of an entity in which the Société makes an investment are the assets or net equity shown in its financial statements for the fiscal year ended before the date on which the investment is made, minus the write-up surplus of its property and the incorporeal assets. In the case of an entity which has not completed its first fiscal year, the fact that the assets or net equity, as the case may be, of the entity are, immediately before the investment, under the limits prescribed in this chapter in relation to such an investment must be confirmed in writing to the Société by a chartered accountant.”

(2) Subsection 1 is declaratory.

**26.** (1) Section 19 of the Act is amended

(1) by replacing “23 March 2011” in subparagraph 7 of the fifth paragraph by “31 May 2016”;

(2) by adding the following subparagraph after subparagraph 9 of the fifth paragraph:

“(10) investments made by the Société after 17 November 2011 in Fonds Relève Québec, s.e.c.”;

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

“For the purposes of this section, investments entailing a security that are made by the Société in an enterprise that is a partnership or a legal person pursuing economic objectives and whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000 are also eligible investments, provided those investments are part of a financing package, in which Fonds Relève Québec, s.e.c. participates, for the succession of the enterprise.”;

(4) by replacing the sixth paragraph by the following paragraph:

“For the purposes of the fifth and sixth paragraphs, the investments that the Société has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 4 and 6 of the fifth paragraph or in the sixth paragraph had they been made by the Société, are deemed to have been made by the Société. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Société’s net assets at the end of the preceding fiscal year.”;

(5) by replacing “9” in the seventh paragraph by “10”;

(6) by replacing “5%” in subparagraph 2 of the ninth paragraph by “7.5%”;

(7) by replacing subparagraph 4 of the ninth paragraph by the following subparagraph:

“(4) if the particular fiscal year ends before 1 January 2017, the investments described in subparagraph 7 of that paragraph, up to 5% of the Société’s net assets at the end of the preceding fiscal year, are deemed to be increased by 50%.”;

(8) by striking out subparagraph 5 of the ninth paragraph;

(9) by adding the following subparagraph after subparagraph 6 of the ninth paragraph:

“(7) the investments described in subparagraph 10 of that paragraph are deemed to be increased by 50%.”;

(10) by inserting the following paragraph after the tenth paragraph:

“The third paragraph of section 18 applies, with the necessary modifications, in relation to the determination of the assets or net equity of a Québec partnership or legal person described in subparagraph 7 of the fifth paragraph.”

(2) Paragraphs 1 and 7 of subsection 1 have effect from 17 March 2011.

(3) Paragraphs 2 to 5 and 9 of subsection 1 have effect from 18 November 2011.

(4) Paragraphs 6 and 8 of subsection 1 apply to a fiscal year that ends after 17 March 2011.

(5) Paragraph 10 of subsection 1 has effect from 22 April 2005.

ACT TO ESTABLISH FONDACTION, LE FONDS DE  
DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS  
NATIONAUX POUR LA COOPÉRATION ET L'EMPLOI

**27.** (1) Section 18.1 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (R.S.Q., chapter F-3.1.2) is amended by replacing the second paragraph by the following paragraph:

“For the purposes of this Act, the assets or net equity of an enterprise in which the Fund makes an investment are the assets or net equity shown in its financial statements for the fiscal year ended before the date on which the investment is made, minus the write-up surplus of its property and the incorporeal assets. In the case of an enterprise which has not completed its first fiscal year, the fact that the assets or net equity, as the case may be, of the enterprise are, immediately before the investment, under the limits prescribed in this division in relation to such an investment must be confirmed in writing to the Fund by a chartered accountant.”

(2) Subsection 1 is declaratory.

**28.** (1) Section 19 of the Act is amended

(1) by replacing “23 March 2011” in subparagraph 8 of the fifth paragraph by “31 May 2016”;

(2) by adding the following subparagraph after subparagraph 9 of the fifth paragraph:

“(10) investments made by the Fund after 17 November 2011 in Fonds Relève Québec, s.e.c.”;

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

“For the purposes of this section, investments entailing a security that are made by the Fund in an enterprise whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000 are also eligible investments, provided those investments are part of a financing package, in which Fonds Relève Québec, s.e.c. participates, for the succession of the enterprise.”;

(4) by replacing the sixth paragraph by the following paragraph:

“For the purposes of the fifth and sixth paragraphs, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed

sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 7 of the fifth paragraph or in the sixth paragraph had they been made by the Fund, are deemed to have been made by the Fund. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Fund's net assets at the end of the preceding fiscal year.”;

(5) by replacing “subparagraph 8 or 9” in the seventh paragraph by “any of subparagraphs 8 to 10”;

(6) by replacing subparagraph 2 of the ninth paragraph by the following subparagraph:

“(2) the aggregate of the investments described in subparagraph 5 of that paragraph may not exceed 7.5% of the Fund's net assets at the end of the preceding fiscal year.”;

(7) by inserting the following subparagraph after subparagraph 2 of the ninth paragraph:

“(2.1) the aggregate of the investments described in subparagraph 6 of that paragraph may not exceed 5% of the Fund's net assets at the end of the preceding fiscal year.”;

(8) by replacing subparagraph 4 of the ninth paragraph by the following subparagraph:

“(4) if the particular fiscal year ends before 1 January 2017, the investments described in subparagraph 8 of that paragraph, up to 5% of the Fund's net assets at the end of the preceding fiscal year, are deemed to be increased by 50%.”;

(9) by striking out subparagraph 5 of the ninth paragraph;

(10) by adding the following subparagraph after subparagraph 6 of the ninth paragraph:

“(7) the investments described in subparagraph 10 of that paragraph are deemed to be increased by 50%.”;

(11) by inserting the following paragraph after the eleventh paragraph:

“The second paragraph of section 18.1 applies, with the necessary modifications, in relation to the determination of the assets or net equity of a Québec enterprise referred to in subparagraph 8 of the fifth paragraph.”

(2) Paragraphs 1 and 8 of subsection 1 have effect from 17 March 2011.

(3) Paragraphs 2 to 5 and 10 of subsection 1 have effect from 18 November 2011.

(4) Paragraphs 6, 7 and 9 of subsection 1 apply to a fiscal year that ends after 17 March 2011.

(5) Paragraph 11 of subsection 1 has effect from 22 April 2005.

**29.** (1) Section 19.1 of the Act is amended by striking out the third paragraph.

(2) Subsection 1 is declaratory.

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

**30.** (1) Section 14.1 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (R.S.Q., chapter F-3.2.1) is amended by replacing the second paragraph by the following paragraph:

“For the purposes of this Act, the assets or net equity of an enterprise in which the Fund makes an investment are the assets or net equity shown in its financial statements for the fiscal year ended before the date on which the investment is made, minus the write-up surplus of its property and the incorporeal assets. In the case of an enterprise which has not completed its first fiscal year, the fact that the assets or net equity, as the case may be, of the enterprise are, immediately before the investment, under the limits prescribed in this division in relation to such an investment must be confirmed in writing to the Fund by a chartered accountant.”

(2) Subsection 1 is declaratory.

**31.** (1) Section 15 of the Act is amended

(1) by replacing subparagraph 6 of the fifth paragraph by the following subparagraph:

“(6) investments described in section 15.0.0.1, provided that they are not otherwise eligible investments;”;

(2) by replacing “23 March 2011” in subparagraph 8 of the fifth paragraph by “31 May 2016”;

(3) by adding the following subparagraph after subparagraph 12 of the fifth paragraph:

“(13) investments made by the Fund after 17 November 2011 in Fonds Relève Québec, s.e.c.”;

(4) by inserting the following paragraph after the fifth paragraph:

“For the purposes of this section, investments entailing a security that are made by the Fund in an enterprise whose assets are less than \$100,000,000 or whose net equity is less than \$50,000,000 are also eligible investments, provided those investments are part of a financing package, in which Fonds Relève Québec, s.e.c. participates, for the succession of the enterprise.”;

(5) by replacing the sixth paragraph by the following paragraph:

“For the purposes of the fifth and sixth paragraphs, the investments that the Fund has agreed to make, for which it has committed but not yet disbursed sums at the end of a fiscal year, and that would have been described in any of subparagraphs 1 to 7 of the fifth paragraph or in the sixth paragraph had they been made by the Fund, are deemed to have been made by the Fund. However, for a particular fiscal year, the aggregate of those deemed investments may not exceed 12% of the Fund’s net assets at the end of the preceding fiscal year.”;

(6) by replacing “and 12” in the seventh paragraph by “, 12 and 13”;

(7) by replacing subparagraphs 2 to 4 of the ninth paragraph by the following subparagraphs:

“(2) the aggregate of the investments described in subparagraph 5 of that paragraph may not exceed 7.5% of the Fund’s net assets at the end of the preceding fiscal year;

“(3) neither the aggregate of the investments described in subparagraph 6 of that paragraph nor the aggregate of the investments described in subparagraph 7 of that paragraph may exceed 10% of the Fund’s net assets at the end of the preceding fiscal year;

“(4) if the particular fiscal year ends before 1 January 2017, the investments described in subparagraph 8 of that paragraph, up to 5% of the Fund’s net assets at the end of the preceding fiscal year, are deemed to be increased by 50%.”;

(8) by striking out subparagraph 5 of the ninth paragraph;

(9) by adding the following subparagraph after subparagraph 7 of the ninth paragraph:

“(8) the investments described in subparagraph 13 of that paragraph are deemed to be increased by 50%.”;

(10) by striking out the tenth paragraph;

(11) by inserting the following paragraph after the eleventh paragraph:

“The second paragraph of section 14.1 applies, with the necessary modifications, in relation to the determination of the assets or net equity of a Québec enterprise referred to in subparagraph 8 of the fifth paragraph.”



(2) Paragraphs 1 and 2 of subsection 1 and paragraph 7 of that subsection, when it replaces subparagraph 4 of the ninth paragraph of section 15 of the Act, have effect from 17 March 2011.

(3) Paragraphs 3 to 6 and 9 of subsection 1 have effect from 18 November 2011.

(4) Paragraph 7 of subsection 1, when it replaces subparagraph 2 of the ninth paragraph of section 15 of the Act, and paragraph 8 of that subsection apply to a fiscal year that ends after 17 March 2011.

(5) Paragraph 7 of subsection 1, when it replaces subparagraph 3 of the ninth paragraph of section 15 of the Act, applies to a fiscal year that begins after 31 May 2011. In addition, when subparagraph 3 of the ninth paragraph of section 15 of the Act applies to the fiscal year that ends on 31 May 2011, it is to be read as follows:

“(3) the aggregate of the investments described in subparagraph 6 of that paragraph and the aggregate of the investments described in subparagraph 7 of that paragraph may not exceed 5% and 10%, respectively, of the Fund’s net assets at the end of the preceding fiscal year;”.

(6) Paragraph 10 of subsection 1 applies to a fiscal year that begins after 31 May 2010.

(7) Paragraph 11 of subsection 1 has effect from 22 April 2005.

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

**“15.0.0.1.** The investments to which subparagraph 6 of the fifth paragraph of section 15 refers are, for a particular fiscal year, the following:

(1) the investments made by the Fund in a partnership or legal person that consist of an initial capital outlay of at least \$25,000,000 or an additional capital outlay, provided that the strategic value of the initial capital outlay and, if applicable, of the additional capital outlay has been recognized, after 22 December 2004, by the Minister of Finance; and

(2) the investments made by the Fund otherwise than as first purchaser for the acquisition of securities issued by a partnership or a legal person for which the strategic value of the acquisition has been recognized, after 31 May 2011, by the Minister of Finance, provided, where the particular fiscal year is subsequent to the fiscal year in which the Fund so first acquired such securities of the partnership or legal person, that the Fund has paid an amount of at least \$25,000,000 for the acquisition of the securities at or before the end of the fiscal year following the fiscal year in which the strategic value of the acquisition of the securities has been recognized by the Minister of Finance.

For the purposes of subparagraph 2 of the first paragraph, a dealer acting as an intermediary or firm underwriter is not considered to be a first purchaser of securities.”

(2) Subsection 1 has effect from 17 March 2011. However, when section 15.0.0.1 of the Act applies to a fiscal year that ends on 31 May 2011, it is to be read without reference to subparagraph 2 of its first paragraph and to its second paragraph.

**33.** (1) Section 15.0.1 of the Act is amended by striking out the third paragraph.

(2) Subsection 1 is declaratory.

#### TAXATION ACT

**34.** (1) Section 1 of the Taxation Act (R.S.Q., chapter I-3) is amended

(1) by replacing the definitions of “registered Canadian amateur athletic association” and “registered Québec amateur athletic association” by the following definitions:

““registered Canadian amateur athletic association” at any time means a Canadian amateur athletic association within the meaning of section 985.23.1 that is registered as such with the Minister at that time or that is deemed to be registered in accordance with the second paragraph of section 985.23.6;

““registered Québec amateur athletic association” at any time means a Québec amateur athletic association within the meaning of section 985.23.1 that is registered as such with the Minister at that time;”;

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

““qualified donee” has the meaning assigned by section 999.2;”.

(2) Subsection 1 has effect from 1 January 2012.

**35.** (1) Section 7.11.0.1 of the Act is amended by replacing “donee described in any of the definitions of “total charitable gifts”, “total Crown gifts” and “total gifts of qualified property” in the first paragraph of section 752.0.10.1” by “qualified donee”.

(2) Subsection 1 has effect from 1 January 2012.

**36.** (1) Section 7.24 of the Act is amended by replacing “716.0.3” and “752.0.10.18” by “716.0.11” and “752.0.10.26”, respectively.

(2) Subsection 1 has effect from 22 March 2011.

**37.** (1) Section 21.4.6 of the Act is amended

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

“The date to which the first paragraph refers is the date of the thirtieth day following that on which the election is made or, if it is later, the filing-due date of the person in respect of whom the election is made or, where the election is made in respect of a partnership, of the member of the partnership for the taxation year for which the election has to be sent to the Minister of National Revenue.”;

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

“This section does not apply if the person in respect of whom the election is made or, where the election is made in respect of a partnership, each of its members was not subject to tax under this Part for the taxation year for which the election had to be sent to the Minister of National Revenue.”

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

**38.** (1) The Act is amended by inserting the following section after section 21.4.6:

**21.4.6.1.** If, after 19 December 2006, an elector makes a valid election under the provision of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to which the particular provision refers, other than an election described in the second paragraph, the person in respect of whom the election is made or, where the election is made in respect of a partnership, each of its members was not subject to tax under this Part for the taxation year for which the election had to be sent to the Minister of National Revenue and, for the purposes of the Income Tax Act, the election is in force for a subsequent taxation year (in this section referred to as the “tax liability year”) for which the person in respect of whom the election is made or, where the election is made in respect of a partnership, any of its members becomes subject to tax under this Part, the elector or any member of the partnership shall, on or before the date provided for in the third paragraph, notify the Minister in writing of the election and attach to the notice a copy of every document sent to the Minister of National Revenue in connection with the election.

An election to which the first paragraph refers is an election that is made for the purpose of computing, for a taxation year, the income or taxable income of a taxpayer for the purposes of the Income Tax Act and that relates to a deduction in that computation or to the determination of the cost, capital cost or cost amount of a property of the taxpayer, to which section 31 or 694 applies for the purpose of determining, for the tax liability year or a subsequent taxation year, the taxpayer’s income or taxable income for the purposes of this Part.

The date to which the first paragraph refers is the filing-due date, for the tax liability year, of the person in respect of whom the election is made or, where

the election is made in respect of a partnership, of the member of the partnership who first becomes subject to tax under this Part for the tax liability year.”

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

**39.** (1) Section 21.4.7 of the Act is replaced by the following section:

**“21.4.7.** In the event of non-compliance with a requirement of section 21.4.6 or 21.4.6.1, the elector incurs a penalty of \$25 a day for every day the omission continues, up to \$2,500.”

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

(1) a person is deemed to have complied with a requirement of section 21.4.6 of the Act if the person complied with it on or before 15 May 2009; and

(2) a person is deemed to have complied with a requirement of section 21.4.6.1 of the Act if the person complied with it on or before 9 May 2012.

**40.** (1) Chapter XV of Title II of Book I of Part I of the Act, comprising sections 21.41 and 21.42, is repealed.

(2) Subsection 1 has effect from 1 January 2012.

**41.** (1) Section 31.1 of the Act is amended by replacing subparagraph *b* of the fourth paragraph by the following subparagraph:

“(b) the amount of \$1,045 mentioned in the first paragraph of section 39.6;”.

(2) Subsection 1 applies from the taxation year 2012. In addition, when section 31.1 of the Act applies to the taxation year 2011, it is to be read without reference to subparagraph *b* of its fourth paragraph.

**42.** (1) Section 39.6 of the Act is amended

(1) by replacing “\$1,000” in the portion before paragraph *a* by “\$1,045”;

(2) by adding the following paragraph:

“The first paragraph does not apply in respect of an amount received or enjoyed by the individual for the performance of duties as a volunteer firefighter, if the individual deducts an amount under section 752.0.10.0.5 from the individual’s tax otherwise payable for the year under this Part.”

(2) Subsection 1 applies from the taxation year 2011.

**43.** Section 175.6.1 of the Act is amended by replacing the fifth paragraph by the following paragraph:

“However, an amount to which section 421.1 applies for a taxation year must not be included in computing the aggregate referred to in the first paragraph, in relation to a business of the taxpayer, where it is an amount in respect of food or beverages consumed by a person in a place that is at least 40 kilometres from the taxpayer’s place of business where that person ordinarily works or to which that person is ordinarily attached and to the extent that the amount is paid or payable in connection with activities related to the business that are ordinarily carried on by a person in a place so remotely located from that place of business.”

**44.** (1) Section 247.2 of the Act is amended by replacing “section 725.3” in the portion before paragraph *a* by “sections 725.3, 766.7.1 and 766.7.2”.

(2) Subsection 1 has effect from 22 March 2011.

**45.** (1) The Act is amended by inserting the following after section 262.2:

**“DIVISION II.1**

**“GAINS RELATED TO CHARITABLE GIFTS OF FLOW-THROUGH SHARES**

**“262.3.** In this division,

“exemption threshold”, of a taxpayer at a particular time in respect of a flow-through share class of property, means the amount determined by the formula

$A - B$ ;

“flow-through share class of property” means a group of properties,

(*a*) in respect of a class of shares of the capital stock of a corporation, each of which is

i. a share of the class, if any share of the class or any right described in subparagraph ii is, at any time, a flow-through share to any person,

ii. a right to acquire a share of the class, if any share of that class or any right described in this subparagraph is, at any time, a flow-through share to any person, or

iii. a property that is an identical property of a property described in subparagraph i or ii; or

(*b*) each of which is an interest in a partnership, if at any time more than 50% of the fair market value of the partnership’s assets is attributable to property included in a flow-through share class of property;

“fresh-start date”, of a taxpayer at a particular time in respect of a flow-through share class of property, means

(a) in the case of a partnership interest that is included in the flow-through share class of property, 16 August 2011 or, if it is later, the last day, before the particular time, on which the taxpayer held an interest in the partnership; and

(b) in the case of any other property that is included in the flow-through share class of property, 22 March 2011 or, if it is later, the last day, before the particular time, on which the taxpayer disposed of all property included in the flow-through share class of property.

In the formula in the definition of “exemption threshold” in the first paragraph,

(a) A is the aggregate of

i. the aggregate of all amounts, each of which would be the cost to the taxpayer, computed without reference to section 419.0.1, of a flow-through share that was included at any time before the particular time in the flow-through share class of property and that was issued by a corporation to the taxpayer on or after the taxpayer’s fresh-start date in respect of the flow-through share class of property at that time, other than a flow-through share that the taxpayer was obligated, before 22 March 2011, to acquire pursuant to the terms of a flow-through share agreement entered into between the corporation and the taxpayer, and

ii. the aggregate of all amounts, each of which would be the adjusted cost base to the taxpayer of an interest in a partnership—computed as if subparagraph vii.1 of paragraph *i* of section 255 and subparagraph ii of paragraph *l* of section 257, as that subparagraph ii would read if it referred only to Canadian exploration expenses and Canadian development expenses, did not apply to any amount incurred by the partnership in respect of a flow-through share held by the partnership, either directly or indirectly through another partnership—that was included before the particular time in the flow-through share class of property, if

(1) the taxpayer acquired the interest (other than an interest that the taxpayer was obligated, before 16 August 2011, to acquire pursuant to the terms of an agreement in writing entered into by the taxpayer) on or after the taxpayer’s fresh-start date in respect of the flow-through share class of property at the particular time, or made a contribution of capital to the partnership after 15 August 2011,

(2) at any time after the time that the taxpayer acquired the interest or made the contribution of capital, the taxpayer is deemed by section 359.18 to have made or incurred an outlay or expense in respect of a flow-through share held by the partnership, either directly or indirectly through another partnership, and

(3) at any time between the time that the taxpayer acquired the interest or made the contribution of capital and the particular time, more than 50% of the fair market value of the assets of the partnership is attributable to property included in a flow-through share class of property; and

(b) B is the aggregate of all amounts, each of which is the lesser of

i. the aggregate of all amounts, each of which is a capital gain from a disposition of a property included in the flow-through share class of property, other than a capital gain referred to in subparagraph *a* of the second paragraph of section 262.4, at an earlier time that is before the particular time and after the first time that the taxpayer acquired a flow-through share referred to in subparagraph i of paragraph *a* or acquired a partnership interest referred to in subparagraph ii of paragraph *a*, and

ii. the exemption threshold of the taxpayer in respect of the flow-through share class of property immediately before the earlier time referred to in subparagraph i.

**“262.4.** If, in the course of a transaction or series of transactions to which sections 301 to 301.2, section 454, sections 521 to 526 and 528, section 529, sections 536 to 539, 541 to 543.2, 544 to 555.4, 556 to 564.1 and 565 or 620 to 625 apply, a taxpayer acquires a property (in this section referred to as the “acquired property”) that is included in a flow-through share class of property, the following rules apply:

(a) if the transfer of the acquired property is part of a gifting arrangement (within the meaning assigned by the first paragraph of section 1079.1) or of a transaction or series of transactions to which sections 620 to 625 apply, or the transferor is a person with whom the taxpayer was, at the time of the acquisition, not dealing at arm’s length, there must be added, at the time of the transfer, to the taxpayer’s exemption threshold in respect of the flow-through share class of property, and deducted from the transferor’s exemption threshold in respect of the flow-through share class of property, the amount determined by the formula

$A \times B$ ; and

(b) if the transferor receives particular shares of the capital stock of the taxpayer as consideration for the acquired property and those particular shares are listed on a designated stock exchange or are shares of a mutual fund corporation, for the purposes of this section and section 262.5 the particular shares are deemed to be flow-through shares of the transferor and there must be added to the transferor’s exemption threshold in respect of the flow-through share class of property that includes the particular shares the amount that is determined by the formula in paragraph *a* or that would be so determined if that paragraph applied to the taxpayer.

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

(a) A is the amount by which the transferor's exemption threshold in respect of the flow-through share class of property immediately before the transfer exceeds the capital gain of the transferor as a result of the transfer; and

(b) B is the proportion that the fair market value of the acquired property immediately before the transfer is of the fair market value of all property of the transferor immediately before the transfer that is included in the flow-through share class of property.

**“262.5.** If at any time a taxpayer disposes of one or more capital properties that are included in a flow-through share class of property and subparagraph *a* or *d* of section 231.2 applies in respect of the disposition (in this section referred to as the “actual disposition”), the taxpayer is deemed to have realized a capital gain from a disposition at that time of another capital property equal to the lesser of

(a) the taxpayer's exemption threshold at that time in respect of the flow-through share class of property; and

(b) the aggregate of all amounts each of which is a capital gain from the actual disposition (calculated without reference to this section).”

(2) Subsection 1, when it enacts sections 262.3 and 262.4 of the Act, has effect from 22 March 2011.

(3) Subsection 1, when it enacts section 262.5 of the Act, applies in respect of a disposition made after 21 March 2011.

**46.** (1) Section 277.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“277.1.** Despite any other provision of this Act, if at any time a taxpayer disposes of a remainder interest in immovable property (except as a result of a transaction to which section 459 would otherwise apply or by way of a gift to a qualified donee) to a person or partnership and retains a life estate or an estate pur autre vie (in this division referred to as the “life estate”) in the property, the taxpayer is deemed”.

(2) Subsection 1 has effect from 1 January 2012.

**47.** (1) Section 336.8 of the Act is amended by replacing subparagraphs *a* and *b* of the definition of “eligible retirement income” in the first paragraph by the following subparagraphs:

“(a) if the individual has reached 65 years of age before the end of the year or—if the individual ceased to be resident in Canada in the year—on the last day on which the individual was resident in Canada, the aggregate of all amounts each of which is an amount that the individual included in computing the individual's income for the year and that is described in section 752.0.8, or



that would be so described if section 752.0.10 were read without reference to its paragraph *f*; or

“(b) if the individual has not reached 65 years of age before the end of the year or—if the individual ceased to be resident in Canada in the year—on the last day on which the individual was resident in Canada, the aggregate of all amounts each of which is an amount that the individual included in computing the individual’s income for the year and that is described in subparagraph *i* of paragraph *a* of section 752.0.8 or—if that amount is received by the individual because of the death of a spouse of the individual—in any of subparagraphs *ii* to *vi* of that paragraph *a* or in paragraph *b* of that section, or that would be so described if section 752.0.10 were read without reference to its paragraph *f*.”

(2) Subsection 1 applies from the taxation year 2007.

(3) Despite sections 1010 to 1011 of the Taxation Act (R.S.Q., chapter I-3), the Minister of Revenue shall, under Part I of that Act, on application by an individual, make such assessments of the individual’s tax, interest and penalties as are necessary for any taxation year to give effect to subsections 1 and 2. Sections 93.1.8 and 93.1.12 of the Tax Administration Act (R.S.Q., chapter A-6.002) apply to such assessments, with the necessary modifications.

**48.** (1) Section 358.0.2 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) a university outside Canada at which the individual was enrolled in a course leading to a degree, for a period of at least three consecutive weeks; or”

(2) Subsection 1 applies in respect of tuition fees paid for a taxation year subsequent to the taxation year 2010.

**49.** (1) Section 359 of the Act is amended by replacing paragraphs *b* and *c* by the following paragraphs:

“(b) “mining business” means an activity described in subparagraph *a* or *a.1* of the first paragraph of section 363 with respect to minerals or in any of subparagraphs *b* to *e*, *f.1* and *g* of the first paragraph of that section, and a transaction concerning a property described in any of paragraphs *a* to *g* of section 370 that may reasonably be related to minerals;

“(c) “oil business” means an activity described in subparagraph *a* or *a.1* of the first paragraph of section 363, except with respect to minerals, or in subparagraph *f* of the first paragraph of that section, and a transaction concerning a property described in any of paragraphs *a* to *g* of section 370 that may reasonably be related to petroleum or natural gas and that is not described in paragraph *b*.”

(2) Subsection 1 has effect from 22 March 2011.

**50.** (1) Section 370 of the Act is amended

(1) by replacing paragraphs *b* to *f* by the following paragraphs:

“(b) any right, licence or privilege to prospect, explore, drill or mine for minerals in a mineral resource in Canada, other than a bituminous sands deposit or an oil shale deposit, or to store underground petroleum, natural gas or other related hydrocarbons in Canada;

“(c) any oil or gas well in Canada or any immovable property or real property in Canada the value of which depends primarily upon its petroleum, natural gas or related hydrocarbon content (not including any depreciable property);

“(d) any right to a rental or royalty computed by reference to the amount or value of production from an oil or gas well in Canada, or from a natural accumulation of petroleum, natural gas or related hydrocarbon in Canada, if the payer of the rental or royalty has a right or an interest in the well or accumulation, as the case may be, and 90% or more of the rental or royalty is payable out of, or from the proceeds of, the production from the well or accumulation;

“(d.1) any right to a rental or royalty computed by reference to the amount or value of production from a mineral resource in Canada, other than a bituminous sands deposit or an oil shale deposit, if the payer of the rental or royalty has a right or an interest in the mineral resource and 90% or more of the rental or royalty is payable out of, or from the proceeds of, the production from the mineral resource;

“(e) any immovable property or real property in Canada (not including any depreciable property) the value of which depends primarily upon its mineral resource content, other than where the mineral resource is a bituminous sands deposit or an oil shale deposit;

“(f) any right or interest relating to any property described in any of paragraphs *a* to *d.1*, other than such a right or interest that the taxpayer has because the taxpayer is a beneficiary under a trust or a member of a partnership; or”;

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

“(g) a real right in an immovable property described in paragraph *e* or an interest in real property described in that paragraph, other than such a right or interest that the taxpayer has because the taxpayer is a beneficiary under a trust or a member of a partnership.”

(2) Paragraph 1 of subsection 1, when it replaces paragraphs *b*, *c*, *e* and *f* of section 370 of the Act, and paragraph 2 of subsection 1 apply in respect of a property or a right acquired after 21 March 2011. However, when paragraphs *b*, *c* and *e* of that section apply in respect of a property or a right

acquired by a person or a partnership on or before 31 December 2011 pursuant to an agreement in writing entered into by the person or partnership before 22 March 2011, those paragraphs are to be read as follows:

“(b) any right, licence or privilege to prospect, explore, drill or mine for minerals in a mineral resource in Canada or to store underground petroleum, natural gas or other related hydrocarbons in Canada;

“(c) any oil or gas well in Canada or any immovable property or real property in Canada the value of which depends primarily upon its petroleum or natural gas content (not including any depreciable property);

“(e) any immovable property or real property in Canada (not including any depreciable property) the value of which depends primarily upon its mineral resource content;”.

(3) Paragraph 1 of subsection 1, when it replaces paragraphs *d* and *d.1* of section 370 of the Act, applies in respect of a right acquired after 20 December 2002. However, when those paragraphs apply in respect of a right acquired before 22 March 2011, or in respect of a right acquired by a person or a partnership after 21 March 2011, but on or before 31 December 2011 and pursuant to an agreement in writing entered into by the person or partnership before 22 March 2011, those paragraphs are to be read as follows:

“(d) any right to a rental or royalty computed by reference to the amount or value of production from an oil or gas well in Canada, or from a natural accumulation of petroleum or natural gas in Canada, if the payer of the rental or royalty has a right or an interest in the well or accumulation, as the case may be, and 90% or more of the rental or royalty is payable out of, or from the proceeds of, the production from the well or accumulation;

“(d.1) any right to a rental or royalty computed by reference to the amount or value of production from a mineral resource in Canada, if the payer of the rental or royalty has a right or an interest in the mineral resource and 90% or more of the rental or royalty is payable out of, or from the proceeds of, the production from the mineral resource;”.

**51.** (1) Section 395 of the Act is amended

(1) by replacing paragraphs *c* and *c.1* by the following paragraphs:

“(c) any expense incurred by the taxpayer to determine the existence of a mineral resource in Canada, to locate such a resource or to determine the extent or quality of such a resource, including any expense incurred in the course of prospecting, carrying out geological, geophysical or geochemical surveys, drilling and trenching or digging test pits or preliminary sampling, other than any expense incurred in drilling or completing an oil or gas well or in building a temporary access road to, or preparing a site in respect of, any such well, and other than Canadian development expenses or any expense that may reasonably

be related to a mine in the mineral resource that has come into production in reasonable commercial quantities or to an actual or potential extension of such a mine;

“(c.1) any expense incurred by the taxpayer after 16 November 1978 to bring a new mine in a mineral resource in Canada, other than a bituminous sands deposit or an oil shale deposit, into production in reasonable commercial quantities, including any expense for clearing, removing overburden and stripping, sinking a mine shaft or constructing an adit or other underground entry, to the extent that these expenses were incurred prior to the commencement of production from the new mine in reasonable commercial quantities;”;

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

“(c.3) any expense incurred by the taxpayer after 21 March 2011 that is an eligible oil sands mine development expense or a specified oil sands mine development expense;”.

(2) Paragraph 1 of subsection 1 applies in respect of expenses incurred after 5 November 2010. However, when paragraph c.1 of section 395 of the Act applies in respect of expenses incurred before 22 March 2011, it is to be read as if “, other than a bituminous sands deposit or an oil shale deposit,” was struck out.

(3) Paragraph 2 of subsection 1 applies in respect of expenses incurred after 21 March 2011.

**52.** (1) The Act is amended by inserting the following sections after section 395.1:

**“395.2.** For the purposes of paragraph c.3 of section 395, “eligible oil sands mine development expense” means the aggregate of all amounts each of which is the product obtained by multiplying, by the percentage specified in the second paragraph, an expense (other than an expense that is a specified oil sands mine development expense described in section 395.3) that is incurred by a taxpayer after 21 March 2011 but on or before 31 December 2015 and that would be described in paragraph c.1 of section 395 if that paragraph were read without reference to “, other than a bituminous sands deposit or an oil shale deposit;”.

The percentage to which the first paragraph refers, in relation to an expense, is

- (a) 100% if the expense is incurred on or before 31 December 2012;
- (b) 80% if the expense is incurred in the calendar year 2013;
- (c) 60% if the expense is incurred in the calendar year 2014; and

(d) 30% if the expense is incurred in the calendar year 2015.

**“395.3.** For the purposes of paragraph *c.3* of section 395, “specified oil sands mine development expense” means an expense that is incurred by a taxpayer after 21 March 2011 but on or before 31 December 2014 to achieve completion of a specified oil sands mine development project of the taxpayer and that would be described in paragraph *c.1* of section 395 if that paragraph were read without reference to “, other than a bituminous sands deposit or an oil shale deposit.”

For the purposes of this section,

“bitumen mine development project”, of a taxpayer, means a project the taxpayer undertakes for the sole purpose of developing a new mine to extract and process tar sands from a mineral resource of the taxpayer to produce bitumen or a similar product;

“bitumen upgrading development project”, of a taxpayer, means a project the taxpayer undertakes for the sole purpose of constructing an upgrading facility to process bitumen or a similar feedstock (all or substantially all of which is from a mineral resource of the taxpayer) from a new mine to the crude oil stage or its equivalent;

“completion”, of a specified oil sands mine development project, means the first attainment of a level of average output, attributable to the project and measured over a 60-day period, equal to at least 60% of the planned level of average daily output (as determined in paragraph *b* of the definition of “specified oil sands mine development project”);

“designated asset”, in respect of an oil sands mine development project of a taxpayer, means a property that is a building, a structure, machinery or equipment and is, or is an integral and substantial part of,

(a) in the case of a bitumen mine development project,

- i. a crusher,
- ii. a froth treatment plant,
- iii. a primary separation unit,
- iv. a steam generation plant,
- v. a cogeneration plant, or
- vi. a water treatment plant; or

(b) in the case of a bitumen upgrading development project,

- i. a gasifier unit,
- ii. a vacuum distillation unit,
- iii. a hydrocracker unit,
- iv. a hydrotreater unit,
- v. a hydroprocessor unit, or
- vi. a coker;

“oil sands mine development project”, of a taxpayer, means a bitumen mine development project or a bitumen upgrading development project;

“preliminary work activity”, in respect of a taxpayer’s oil sands mine development project, means any activity that is preliminary to the acquisition, construction, fabrication or installation by or on behalf of the taxpayer of designated assets in respect of the project including, in particular, the following activities:

- (a) obtaining permits or regulatory approvals;
- (b) performing design or engineering work;
- (c) conducting feasibility studies;
- (d) conducting environmental assessments; and
- (e) entering into contracts;

“specified oil sands mine development project”, of a taxpayer, means an oil sands mine development project (not including any preliminary work activity) in respect of which

(a) one or more designated assets was, before 22 March 2011, acquired by the taxpayer or in the process of being constructed, fabricated or installed, by or on behalf of the taxpayer; and

(b) the planned level of average daily output (where that output is bitumen or a similar product in the case of a bitumen mine development project, or synthetic crude oil or a similar product in the case of a bitumen upgrading development project) that can reasonably be expected, is the lesser of

- i. the level that was the demonstrated intention of the taxpayer on 21 March 2011 to produce from the oil sands mine development project, and
- ii. the maximum level of output associated with the design capacity, on 21 March 2011, of the designated assets referred to in paragraph *a*.”

(2) Subsection 1 has effect from 22 March 2011.

**53.** (1) Section 396 of the Act is amended by replacing paragraph *c.2* by the following paragraph:

“(c.2) any expense, incurred in respect of a mineral resource before a new mine in the mineral resource comes into production in reasonable commercial quantity, that results in income earned, or that may reasonably be expected to result in income earned, before the new mine comes into production in reasonable commercial quantity, except to the extent that the aggregate of all such expenses exceeds the aggregate of those incomes if

i. the expense is otherwise described in paragraph *c* of section 395 and incurred, in respect of the resource, in prospecting, drilling, trenching, digging test pits or preliminary sampling, or

ii. the expense is otherwise described in paragraph *c.1* of section 395;”.

(2) Subsection 1 applies in respect of an expense incurred after 5 November 2010.

**54.** (1) Section 408 of the Act is amended

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

“(b.0.1) any expense, or portion of any expense, that is not a Canadian exploration expense, incurred by the taxpayer for the purpose of bringing a new mine in a mineral resource in Canada that is a bituminous sands deposit or an oil shale deposit into production and incurred before the new mine comes into production in reasonable commercial quantities, including an expense for clearing the land, removing overburden and stripping, or building an entry ramp;”;

(2) by replacing the portion of paragraph *c* before subparagraph *i* by the following:

“(c) despite section 144, the cost to the taxpayer of property described in any of paragraphs *b*, *d.1* and *e* of section 370 or of a right or an interest relating to such property, other than a right or an interest that the taxpayer has because the taxpayer is a beneficiary under a trust or a member of a partnership, including any payment for the preservation of a taxpayer’s rights in respect of such a property, right or interest, but excluding, except for the application of this paragraph to a taxation year that begins after 31 December 2006;”.

(2) Paragraph 1 of subsection 1 applies in respect of expenses incurred after 21 March 2011.

(3) Paragraph 2 of subsection 1 applies in respect of a property or a right acquired after 21 March 2011.

**55.** (1) Section 412 of the Act is amended by replacing the portion of paragraph *b* before subparagraph *i* by the following:

“(b) all amounts each of which is, in respect of the disposition by the taxpayer before that time of a property described in any of paragraphs *b*, *d.1* and *e* of section 370, of a property disposed of after 21 March 2011 which was described in any of those paragraphs and the cost of which when acquired by the taxpayer was included in the Canadian development expense of the taxpayer, or of any right or interest relating to such a property, other than such a right or an interest that the taxpayer has by reason of being a beneficiary under a trust or a member of a partnership, equal to the amount by which”.

(2) Subsection 1 has effect from 22 March 2011.

**56.** (1) Section 560.2 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the time at which the vendor last acquired control, within the meaning of subparagraph *b* of the first paragraph of section 739, with the necessary modifications, of the subsidiary; and”.

(2) Subsection 1 has effect from 22 March 2011.

**57.** (1) Section 651.1 of the Act is replaced by the following section:

“**651.1.** Except as otherwise provided in this Part and without restricting the application of sections 316.1, 456 to 458, 462.1 to 462.24, 466 to 467.1, 766.5 to 766.7.2 and 1034.0.0.2, an amount included under any of sections 659 and 661 to 663 in computing the income for a taxation year of a beneficiary of a trust is deemed to be income of the beneficiary for the year from a property that is an interest in the trust and not from any other source, and an amount deductible in computing the amount that would, but for paragraphs *a* and *b* of section 657 and section 657.1, be the income of a trust for a taxation year is not to be deducted by a beneficiary of the trust in computing the beneficiary’s income for a taxation year.”

(2) Subsection 1 has effect from 22 March 2011.

**58.** Section 693 of the Act is amended by replacing the second paragraph by the following paragraph:

“However, the taxpayer shall apply the provisions of this Book in the following order: Title I.0.0.1, sections 694.0.1, 694.0.2, 737.17, 737.18.12, 726.29 and 726.35, Titles V, VI.8, V.1, VI.1, VI.2, VI.3, VI.3.1, VI.3.2, VI.3.2.1, VI.3.2.2, VI.3.2.3, VII, VII.0.1, VI.5 and VI.5.1 and sections 725.1.2, 737.14 to 737.16.1, 737.18.10, 737.18.11, 737.18.17, 737.18.26, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25, 737.28, 726.28, 726.33 and 726.34.”



**59.** (1) The Act is amended by inserting the following section after section 693.3:

**“693.4.** In this Book, except Titles V, VI.3 and VI.9, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.”

(2) Subsection 1 has effect from 22 December 2010.

**60.** (1) Section 710 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) subject to section 711, the aggregate of all amounts each of which is the eligible amount of a gift, other than a gift the eligible amount of which is included in the aggregate described in any of paragraphs *b* to *e*, made by the corporation in the year, in any of the five preceding taxation years, if the gift was made in a taxation year that ended before 24 March 2006, or in any of the 20 preceding taxation years, if the gift is made in a taxation year that ends after 23 March 2006, to a qualified donee;”.

(2) Subsection 1 has effect from 1 January 2012.

**61.** (1) Section 710.0.2 of the Act is amended by replacing “716.0.3” in the portion before paragraph *a* by “716.0.11”.

(2) Subsection 1 has effect from 22 March 2011.

**62.** (1) Section 710.2.1 of the Act, amended by section 232 of chapter 21 of the statutes of 2011, is again amended by replacing “716.0.3” by “716.0.11”.

(2) Subsection 1 has effect from 22 March 2011.

**63.** (1) Section 714.1 of the Act is amended by replacing the first paragraph by the following paragraph:

**“714.1.** For the purposes of this Title, where at any time a corporation makes a gift of a work of art referred to in the second paragraph to a donee referred to in any of paragraphs *b* to *e* and *g* to *i* of the definition of “qualified donee” in section 999.2 or in any of subparagraphs *i*, *iv* and *v* of paragraph *a* of the definition of “qualified donee” in subsection 1 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and whose registration as a qualified donee has not been revoked by the Minister of National Revenue, other than such a donee who acquires the work of art in connection with its primary mission, the corporation is deemed, in respect of that work of art, not to have made a gift unless the donee disposes of the work of art on or before 31 December of the fifth calendar year following the year that includes that time.”

(2) Subsection 1 has effect from 1 January 2012.

**64.** (1) Section 716 of the Act is amended by replacing “donee referred to in any of paragraphs *a* to *c* of section 710” in the portion of the first paragraph before subparagraph *a* by “qualified donee”.

(2) Subsection 1 has effect from 1 January 2012.

**65.** (1) Section 716.0.2 of the Act is amended by replacing “second” by “third”.

(2) Subsection 1 has effect from 6 July 2001.

**66.** (1) The Act is amended by inserting the following sections after section 716.0.3:

**“716.0.4.** Subject to sections 716.0.6 and 716.0.7, if a corporation has granted an option to a qualified donee in a taxation year, no amount in respect of the option is to be included in computing an amount under any of paragraphs *a* to *e* of section 710 in respect of the corporation for any year.

**“716.0.5.** Section 716.0.6 applies if

(a) an option to acquire a property of a corporation is granted to a qualified donee;

(b) the option is exercised so that the property is disposed of by the corporation and acquired by the qualified donee at a particular time; and

(c) either

i. the amount that is 80% of the fair market value of the property at the particular time is greater than or equal to the aggregate of

(1) the consideration received by the corporation from the qualified donee for the property, and

(2) the consideration received by the corporation from the qualified donee for the option, or

ii. the corporation establishes to the satisfaction of the Minister that the granting of the option or the disposition of the property was made by the corporation with the intention to make a gift to the qualified donee.

**“716.0.6.** If this section applies because of section 716.0.5, the following rules apply despite paragraph *a* of section 296:

(a) the corporation is deemed to have received proceeds of disposition of the property equal to the property’s fair market value at the particular time referred to in paragraph *b* of section 716.0.5; and

(b) there shall be included in the aggregate referred to in paragraph *a* of section 710, for the corporation’s taxation year that includes the particular time, the amount by which the property’s fair market value exceeds the aggregate of the amounts described in subparagraphs 1 and 2 of subparagraph *i* of paragraph *c* of section 716.0.5.

**“716.0.7.** If an option to acquire a particular property of a corporation is granted to a qualified donee and the option is disposed of by the qualified donee (otherwise than by the exercise of the option) at a particular time, the following rules apply:

(a) the corporation is deemed to dispose of a property at the particular time

i. the adjusted cost base of which to the corporation immediately before the particular time is equal to the consideration paid by the qualified donee for the option, and

ii. the proceeds of disposition of which are equal to the lesser of the fair market value of the particular property at the particular time and the fair market value of any consideration (other than a non-qualifying security of a person) received by the qualified donee for the option; and

(b) there shall be included in the aggregate referred to in paragraph *a* of section 710 for the corporation’s taxation year that includes the particular time

the amount by which the proceeds of disposition as determined by subparagraph ii of paragraph *a* exceed the consideration paid by the qualified donee for the option.

**“716.0.8.** Section 716.0.9 applies if a qualified donee has issued to a corporation a receipt referred to in section 712 in respect of a transfer of a property (in this section and section 716.0.9 referred to as the “original property”) and a property (in this section and sections 716.0.9 to 716.0.11 referred to as the “particular property”) that is

(*a*) the original property is later transferred to the corporation (unless that later transfer is reasonable consideration or remuneration for property acquired by or services rendered to a person); or

(*b*) any other property that may reasonably be considered compensation for or a substitute for, in whole or in part, the original property, is later transferred to the corporation.

**“716.0.9.** If this section applies because of section 716.0.8, the following rules apply:

(*a*) irrespective of whether the transfer of the original property by the corporation is a gift, the corporation is deemed not to have disposed of the original property at the time of that transfer nor to have made a gift;

(*b*) if the particular property is identical to the original property, the particular property is deemed to be the original property; and

(*c*) if the particular property is not the original property,

i. the corporation is deemed to have disposed of the original property at the time that the particular property is transferred to the corporation for proceeds of disposition equal to the greater of the fair market value of the particular property at that time and the fair market value of the original property at the time that it was transferred by the corporation to the qualified donee, and

ii. if, but for paragraph *a*, the transfer of the original property by the corporation would be a gift, the corporation is deemed to have, at the time of that transfer, transferred to the qualified donee a property that is the subject of a gift having a fair market value equal to the amount by which the fair market value of the original property at the time of that transfer exceeds the fair market value of the particular property at the time that it is transferred to the corporation.

**“716.0.10.** If section 716.0.9 applies in respect of a transfer of a particular property to a corporation and that particular property has a fair market value greater than \$50, the transferor must, in respect of that transfer, file a return containing prescribed information with the Minister not later than 90 days after the day on which the particular property was transferred and provide a copy of the return to the corporation.

**“716.0.11.** If section 716.0.9 applies in respect of a transfer of a particular property to a corporation, the Minister may, despite sections 1010 to 1011, make any assessment, reassessment or additional assessment of tax, interest or penalties payable under this Part by a person for any taxation year to the extent that the assessment, reassessment or additional assessment can reasonably be regarded as relating to the transfer of the particular property.”

(2) Subsection 1, when it inserts sections 716.0.4 to 716.0.7 of the Act, applies in respect of an option granted after 21 March 2011.

(3) Subsection 1, when it inserts sections 716.0.8 to 716.0.11 of the Act, applies in respect of the transfer of a property that occurs after 21 March 2011. In addition, an information return filed with the Minister of Revenue on or before 17 July 2012 is deemed to have been filed with the Minister of Revenue within the time limit provided for in section 716.0.10 of the Act.

**67.** Section 726.4.17.16 of the Act is repealed.

**68.** (1) Section 726.6.2 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) the other corporation is not connected, within the meaning of the regulations if the latter were read without reference to subparagraph *b* of the first paragraph of section 739, with the particular corporation.”

(2) Subsection 1 has effect from 22 March 2011.

**69.** (1) Section 726.20.1 of the Act is amended by replacing paragraph *b* of the definition of “eligible taxable capital gain amount” in the first paragraph by the following paragraph:

“(b) where paragraph *a* or *d* of section 231.2 applies in respect of the disposition of the particular property, the amount that would correspond to the individual’s taxable capital gain for the year from the disposition if that section were read without reference to that paragraph and, in any other case, the individual’s taxable capital gain for the year from the disposition of the particular property; and”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**70.** (1) Section 726.20.2 of the Act is amended by inserting the following paragraph after the second paragraph:

“For the purposes of subparagraph *c* of the first paragraph, where an individual is deemed to have realized, at any time in a taxation year, a capital gain from another capital property under section 262.5, the capital gain is deemed to be a capital gain realized by the individual in the year in respect of a resource property.”

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**71.** Section 733.0.2 of the Act is repealed.

**72.** Title VII.2.1 of Book IV of Part I of the Act, comprising sections 737.18.1 to 737.18.5, is repealed.

**73.** (1) Section 737.18.6 of the Act is amended by replacing paragraph *d* of the definition of “foreign specialist” in the first paragraph by the following paragraph:

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by Investissement Québec for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a specialist;”.

(2) Subsection 1 has effect from 1 January 2011.

**74.** (1) Section 737.18.9 of the Act is replaced by the following section:

“**737.18.9.** For the purposes of the definition of “eligible employer” in the first paragraph of section 737.18.6 and despite any provision to the contrary, a certificate that has been issued to a corporation or a partnership in respect of a recognized business is deemed to be valid until the time the certificate is revoked and it is deemed, only as of that time, not to have been issued.”

(2) Subsection 1 has effect from 22 December 2010.

**75.** (1) Section 737.18.10 of the Act is amended, in the third paragraph,

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

“(b) certifies that the individual is recognized as a specialist for all or part of the year;”;

(2) by striking out subparagraph *c*.

(2) Subsection 1 has effect from 1 January 2011.

**76.** (1) Section 737.18.14 of the Act is amended, in the first paragraph,

(1) by replacing paragraph *c* of the definition of “eligible activities” by the following paragraph:

“(c) are qualified international financial transactions within the meaning of section 7 of the Act respecting international financial centres (chapter C-8.3)

and are covered by a qualification certificate issued to the corporation by the Minister of Finance for the purposes of Division II.6.14.3 of Chapter III.1 of Title III of Book IX;”;

(2) by replacing “exemption period” wherever it appears in the following provisions by “tax-free period”:

- the definition of “compensation period”;
- the definition of “date of the beginning of the exemption period”;
- paragraph *a* of the definition of “eligibility period”.

(2) Paragraph 1 of subsection 1 has effect from 31 March 2010.

**77.** Section 737.18.15 of the Act is amended by replacing “exemption period” in subparagraphs *a* and *b* of the second paragraph by “tax-free period”.

**78.** (1) Section 737.18.29 of the Act is amended, in the definition of “foreign specialist” in the first paragraph,

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

“(d) the qualified corporation has obtained in respect of the individual, for the purposes of this Title, a qualification certificate issued by the Minister of Finance for the taxation year and the qualification certificate and, if applicable, all the similar qualification certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a specialist;”;

(2) by striking out paragraph *e*.

(2) Subsection 1 has effect from 1 January 2011.

**79.** (1) Section 737.18.30.1 of the Act is amended

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

“ii. as if “from the particular time to the end of the year or the part of the year” in paragraphs *c* and *d* was replaced by “throughout the year or the part of the year”.”;

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

“(b) at a particular time, the individual would be, for the first time since the entering into the contract referred to in subparagraph *a*, a foreign specialist

working for the qualified corporation if paragraphs *c* and *d* of the definition of “foreign specialist” in the first paragraph of section 737.18.29 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”.

(2) Subsection 1 has effect from 1 January 2011.

**80.** (1) Section 737.18.30.2 of the Act is amended by replacing the portion of the third paragraph before subparagraph *a* by the following:

“In addition, where at a particular time an individual would again become a foreign specialist if this section were read without reference to the first and second paragraphs and paragraphs *c* and *d* of the definition of “foreign specialist” in the first paragraph of section 737.18.29 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2011.

**81.** (1) Section 737.18.34 of the Act is amended, in the fourth paragraph,

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

“(b) certifies that the individual is recognized as a specialist for all or part of the year;”;

(2) by striking out subparagraph *c*.

(2) Subsection 1 has effect from 1 January 2011.

**82.** (1) Section 737.19 of the Act is amended by replacing paragraph *d* of the definition of “foreign researcher” in the first paragraph by the following paragraph:

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, from the Minister of Economic Development, Innovation and Export Trade, a certificate certifying that the individual is recognized as a researcher;”.

(2) Subsection 1 has effect from 1 January 2011.

**83.** (1) Section 737.20 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) a certificate referred to in paragraph *d* of the definition of “foreign researcher” in the first paragraph of section 737.19 that has been issued in respect of the individual, in relation to a preceding employment contract entered into with any eligible employer, is deemed to be issued to the eligible employer, in relation to the employment contract.”



(2) Subsection 1 has effect from 22 December 2010.

**84.** (1) Section 737.22.0.0.1 of the Act is amended, in the definition of “foreign researcher on a postdoctoral internship” in the first paragraph,

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

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by the Minister of Education, Recreation and Sports for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a researcher on a postdoctoral internship;”;

(2) by striking out paragraph *e*.

(2) Subsection 1 has effect from 1 January 2011.

**85.** (1) Section 737.22.0.0.2.1 of the Act is amended

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

“ii. as if “from the particular time to the end of the year or the part of the year” in the portion of paragraph *c* before subparagraph i and in paragraph *d* was replaced by “throughout the year or the part of the year”.”;

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

“(b) at a particular time, the individual would be, for the first time since the entering into the contract referred to in subparagraph *a*, a foreign researcher on a postdoctoral internship working for the eligible employer if the portion of paragraph *c* of the definition of “foreign researcher on a postdoctoral internship” in the first paragraph of section 737.22.0.0.1 before subparagraph i and paragraph *d* of that definition were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”.”

(2) Subsection 1 has effect from 1 January 2011.

**86.** (1) Section 737.22.0.0.2.2 of the Act is amended by replacing the portion of the third paragraph before subparagraph *a* by the following:

“In addition, where at a particular time an individual would again become a foreign researcher on a postdoctoral internship if this section were read without reference to the first and second paragraphs and the portion of paragraph *c* of the definition of “foreign researcher on a postdoctoral internship”

in the first paragraph of section 737.22.0.0.1 before subparagraph *i* and paragraph *d* of that definition were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2011.

**87.** (1) Section 737.22.0.0.5 of the Act is amended by replacing paragraph *d* of the definition of “foreign expert” in the first paragraph by the following paragraph:

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by the Minister of Economic Development, Innovation and Export Trade for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as an expert;”.

(2) Subsection 1 applies from the taxation year 2011.

**88.** (1) Section 737.22.0.0.6 of the Act is amended

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

“**737.22.0.0.6.** For the application of the definition of “foreign expert” in the first paragraph of section 737.22.0.0.5 to an individual who entered into an employment contract with an eligible employer, the following rules must be taken into consideration:”;

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

“(b) where, in relation to taxation years preceding the year 2011, a particular certificate referred to in paragraph *d* of that definition has been issued in respect of the individual to any eligible employer,

i. the particular certificate is deemed to have been issued for each of the preceding taxation years, and

ii. the particular certificate is deemed to have been issued to the eligible employer in relation to the employment contract, if the contract has been entered into in any of the preceding taxation years.”

(2) Subsection 1 applies from the taxation year 2011.

**89.** (1) Section 737.22.0.0.6.1 of the Act is amended

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

“ii. as if “from the particular time to the end of the year or the part of the year” in the portion of paragraph *c* before subparagraph *i* and in paragraph *d* was replaced by “throughout the year or the part of the year”.”;

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

“(b) at a particular time, the individual would be, for the first time since the entering into the contract referred to in subparagraph *a*, a foreign expert working for the eligible employer if the portion of paragraph *c* of the definition of “foreign expert” in the first paragraph of section 737.22.0.0.5 before subparagraph *i* and paragraph *d* of that definition were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”.”

(2) Subsection 1 applies from the taxation year 2011.

**90.** (1) Section 737.22.0.0.6.2 of the Act is amended by replacing the portion of the third paragraph before subparagraph *a* by the following:

“In addition, where at a particular time an individual would again become a foreign expert if this section were read without reference to the first and second paragraphs and the portion of paragraph *c* of the definition of “foreign expert” in the first paragraph of section 737.22.0.0.5 before subparagraph *i* and paragraph *d* of that definition were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”, the following rules apply:”

(2) Subsection 1 applies from the taxation year 2011.

**91.** (1) Section 737.22.0.1 of the Act is amended, in the definition of “foreign specialist” in the first paragraph,

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

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by Investissement Québec for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a specialist;”;

(2) by striking out paragraph *e*.

(2) Subsection 1 has effect from 1 January 2011.

**92.** (1) Section 737.22.0.1.3 of the Act is replaced by the following section:

**“737.22.0.1.3.** Where, but for this section, a corporation would no longer be an eligible employer for a taxation year because of the revocation of a certificate or a qualification certificate it was issued, the following rules must, for the purposes of this Title, be taken into consideration despite any provision to the contrary:

(a) if the corporation is described in any of paragraphs *a* and *g* to *j* of the definition of “eligible employer” in the first paragraph of section 737.22.0.1, the certificate or qualification certificate is deemed to be valid until the time the certificate or qualification certificate is revoked and it is deemed, only as of that time, not to have been issued; and

(b) if the corporation is described in any of paragraphs *b* to *f* of that definition, the certificate is deemed not to have been revoked for that taxation year.”

(2) Subsection 1 has effect from 22 December 2010.

**93.** (1) Section 737.22.0.2.1 of the Act is amended

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

“ii. as if “from the particular time to the end of the year or the part of the year” in paragraphs *c* and *d* was replaced by “throughout the year or the part of the year”.”;

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

“(b) at a particular time, the individual would be, for the first time since the entering into the contract referred to in subparagraph *a*, a foreign specialist working for the eligible employer if paragraphs *c* and *d* of the definition of “foreign specialist” in the first paragraph of section 737.22.0.1 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”.”

(2) Subsection 1 has effect from 1 January 2011.

**94.** (1) Section 737.22.0.2.2 of the Act is amended by replacing the portion of the third paragraph before subparagraph *a* by the following:

“In addition, where at a particular time an individual would again become a foreign specialist if this section were read without reference to the first and second paragraphs and paragraphs *c* and *d* of the definition of “foreign specialist” in the first paragraph of section 737.22.0.1 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2011.

**95.** (1) Section 737.22.0.5 of the Act is amended, in the definition of “foreign professor” in the first paragraph,

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

“(d) the eligible employer has obtained in respect of the individual, for the purposes of this Title, a certificate issued by the Minister of Education, Recreation and Sports for the taxation year and the certificate and, if applicable, all the similar certificates that were obtained in respect of the individual for preceding taxation years certify that, from the particular time to the end of the year or the part of the year, the individual is recognized as a professor;”;

(2) by striking out paragraph *e*.

(2) Subsection 1 has effect from 1 January 2011.

**96.** (1) Section 737.22.0.6.1 of the Act is amended

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

“ii. as if “from the particular time to the end of the year or the part of the year” in paragraphs *c* and *d* was replaced by “throughout the year or the part of the year”.”;

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

“(b) at a particular time, the individual would be, for the first time since the entering into the contract referred to in subparagraph *a*, a foreign professor working for the eligible employer if paragraphs *c* and *d* of the definition of “foreign professor” in the first paragraph of section 737.22.0.5 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”.”

(2) Subsection 1 has effect from 1 January 2011.

**97.** (1) Section 737.22.0.6.2 of the Act is amended by replacing the portion of the third paragraph before subparagraph *a* by the following:

“In addition, where at a particular time an individual would again become a foreign professor if this section were read without reference to the first and second paragraphs and paragraphs *c* and *d* of the definition of “foreign professor” in the first paragraph of section 737.22.0.5 were read as if “from the particular time to the end of the year or the part of the year” was replaced by “throughout the year or the part of the year”, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2011.

**98.** (1) Section 737.22.0.9 of the Act is amended by replacing the definition of “eligible individual” by the following definition:

““eligible individual”, for a taxation year, means an individual who was not resident in Canada at any time in the year and who holds a qualification certificate that was issued to the individual by the Société de développement des entreprises culturelles for the purposes of this Title in respect of an eligible production;”.

(2) Subsection 1 has effect from 22 December 2010.

**99.** (1) Section 739 of the Act is amended by adding the following after paragraph *c*:

“(d) a dividend on a share is a qualified dividend to the extent that

i. it is not received under section 508 to the extent that that section refers to section 506, or

ii. it is received under section 508 to the extent that that section refers to section 506 and,

(1) if the share is held by an individual other than a trust, the dividend is received by the individual,

(2) if the share is held by a corporation, the dividend is received by the corporation while it is a private corporation, and is paid by another private corporation,

(3) if the share is held by a trust, the dividend is received by the trust or designated under section 666 by the trust in respect of a beneficiary and the beneficiary is a person described in the second paragraph, a partnership each of the members of which is, when the dividend is received, a person described in the second paragraph, or another trust or partnership if the trust establishes that the dividend is received by a person described in the second paragraph, or

(4) if the share is held by a partnership, the dividend is included in the income of a member of the partnership and the member is a person described in the second paragraph or the dividend is designated under section 666 by a member of the partnership that is a trust in respect of a beneficiary described in subparagraph 3.

A person to whom subparagraphs 3 and 4 of subparagraph ii of subparagraph *d* of the first paragraph refer, in relation to a dividend, is

(a) an individual other than a trust;

(b) a private corporation when the corporation receives the dividend, if the dividend is paid by another private corporation; or

(c) a trust that does not designate the dividend under section 666.”

(2) Subsection 1 has effect from 22 March 2011.

**100.** (1) Section 741.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**741.1.** A qualified dividend is not to be included in the aggregate determined under subparagraph *i* of paragraph *a* of section 741 or paragraph *b* of that section where the taxpayer referred to in that section establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**101.** (1) Section 741.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**741.3.** A qualified dividend is not to be included in the aggregate determined under subparagraph *i* of paragraph *a* of section 741.2 or paragraph *b* or *c* of that section where the taxpayer referred to in that section establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**102.** (1) Section 742 of the Act is amended by replacing the portion of subparagraph *c* of the third paragraph before subparagraph *i* by the following:

“(c) received on the share referred to in the first paragraph and designated under section 666 by the trust in respect of a beneficiary that was a corporation, a partnership or another trust, provided the dividend is a qualified dividend and the trust establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**103.** (1) Section 742.1 of the Act is amended by replacing the portion of subparagraph *c* of the third paragraph before subparagraph *i* by the following:

“(c) received on the share referred to in the first paragraph after the time of acquisition and designated under section 666 by the trust in respect of a beneficiary that was a corporation, a partnership or another trust, provided the dividend is a qualified dividend and the trust establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**104.** (1) Section 742.2 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“742.2.** A qualified dividend received by a trust is not to be included under subparagraph i of subparagraph *a* or subparagraph ii of subparagraph *b* of the first paragraph of section 742 or subparagraph i of subparagraph *a* of the first paragraph of section 742.1 where the trust establishes that the dividend”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**105.** (1) Section 742.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“742.3.** A qualified dividend that is a taxable dividend received on a share and designated under section 666 by a trust in respect of a beneficiary that was a corporation, partnership or trust is not to be included under subparagraph *b* of the first paragraph of section 742 or 742.1 where the trust establishes that the dividend was received by an individual (other than a trust), or”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**106.** (1) Section 743.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“743.1.** A qualified dividend is not to be included in the aggregate determined under any of paragraphs *a* to *c* of section 743 where the taxpayer referred to in that section establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**107.** (1) Section 744.0.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“744.0.1.** A qualified dividend is not to be included in the aggregate determined under any of paragraphs *a* to *c* of section 744 where the shareholder referred to in that section establishes that”.

(2) Subsection 1 has effect from 22 March 2011.

**108.** (1) Section 744.2.1 of the Act is amended by replacing the portion before paragraph *a* by the following:



**“744.2.1.** A qualified dividend is not to be included in the aggregate determined under paragraph *a* of section 744.2 where the trust referred to in that section establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**109.** (1) Section 744.2.2 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“744.2.2.** A qualified dividend is not to be included in the aggregate determined under paragraph *b* of section 744.2 where the trust referred to in that section establishes that”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**110.** (1) Section 744.6 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the taxpayer is a financial institution in the year, the share is a mark-to-market property for the year, and the taxpayer received either a dividend on the share at a time when the taxpayer and persons with whom the taxpayer was not dealing at arm’s length held in total more than 5% of the issued shares of any class of the capital stock of the corporation that paid the dividend, or a dividend on the share paid under section 506; or”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**111.** (1) Section 744.6.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“744.6.1.** A dividend, other than a dividend received under section 508 to the extent that that section refers to section 506, is not to be included in the aggregate determined under subparagraph ii of subparagraph *b* of the third paragraph of section 744.6 in respect of a taxpayer referred to in that section unless”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**112.** (1) Section 749.1 of the Act is amended by replacing “772.13” by “772.13.3”.

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual’s taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or

redetermine the individual's tax payable and make an assessment, a reassessment or an additional assessment.

**113.** (1) The Act is amended by inserting the following after section 752.0.10.0.3:

**“CHAPTER I.0.2.0.2**

**“TAX CREDIT FOR VOLUNTEER FIREFIGHTERS**

**“752.0.10.0.4.** In this chapter,

“eligible volunteer firefighting services” means services (other than excluded services) provided by an individual in the individual's capacity as a volunteer firefighter to a fire safety service and that consist primarily of being on call for and responding to firefighting and related emergency calls, attending meetings held by the fire safety service and participating in required training related to the prevention or suppression of fires;

“excluded services” means services provided by an individual in the individual's capacity as a volunteer firefighter to a fire safety service to which the individual also provides firefighting services otherwise than as a volunteer.

**“752.0.10.0.5.** An individual may deduct, from the individual's tax otherwise payable for a taxation year under this Part, an amount equal to the product obtained by multiplying \$3,000 by the percentage specified in paragraph *a* of section 750 that is applicable for the year if

(a) the individual performs not less than 200 hours of eligible volunteer firefighting services in the year for one or more fire safety services; and

(b) the individual files with the Minister, at the request of and in the manner determined by the Minister, a written certificate from the fire chief or an authorized representative of each fire safety service to which the individual provided eligible volunteer firefighting services in the year, attesting to the number of hours of such services performed in the year by the individual for that fire safety service.”

(2) Subsection 1 applies from the taxation year 2011.

**114.** (1) Section 752.0.10.1 of the Act is amended, in the first paragraph,

(1) by replacing “second” in paragraph *a* of the definition of “non-qualifying security” by “third”;

(2) by replacing the definition of “total charitable gifts” by the following definition:

““total charitable gifts” of an individual for a taxation year means the aggregate of all amounts each of which is the eligible amount of a gift (other than a gift described in any of the definitions of “total Crown gifts” of the individual for the year, “total cultural gifts” of the individual for the year, “total gifts of qualified property” of the individual for the year and “total musical instrument gifts” of the individual for the year) made by the individual in the year or in any of the five preceding taxation years to a qualified donee, if the conditions set out in section 752.0.10.2 are met in respect of that amount;”.

(2) Paragraph 1 of subsection 1 has effect from 6 July 2001.

(3) Paragraph 2 of subsection 1 has effect from 1 January 2012. In addition, when paragraph *e* of the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1 of the Act applies in respect of a gift made after 8 May 2000, it is to be read as follows:

“(e) a municipality in Canada.”.

**115.** (1) 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, 985.23.1 to 985.23.7, 985.23.9, 985.23.10, 985.24, 985.25 and 999.2, the transfer referred to 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”.

(2) Subsection 1 has effect from 1 January 2012.

**116.** (1) Section 752.0.10.10.5 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purposes of this chapter, except section 752.0.10.10.4, and of sections 985.1 to 985.22, 985.23.1 to 985.23.7, 985.23.9, 985.23.10, 985.24, 985.25 and 999.2, 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”.

(2) Subsection 1 has effect from 1 January 2012.

**117.** (1) Section 752.0.10.11.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“**752.0.10.11.1.** For the purposes of this chapter, if at any time an individual makes a gift of a work of art described in the second paragraph to a donee referred to in any of paragraphs *b* to *e* and *g* to *i* of the definition of “qualified donee” in section 999.2 or in any of subparagraphs *i*, *iv* and *v* of paragraph *a* of the definition of “qualified donee” in subsection 1 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1,

5th Supplement) and whose registration as a qualified donee has not been revoked by the Minister of National Revenue, other than such a donee who acquires the work of art in connection with its primary mission, the individual is deemed, in respect of that work of art, not to have made a gift unless the donee disposes of the work of art on or before 31 December of the fifth year following the year that includes that time.”

(2) Subsection 1 has effect from 1 January 2012.

**118.** (1) Section 752.0.10.12 of the Act is amended by replacing “donee described in the definitions of “total charitable gifts”, “total Crown gifts” and “total gifts of qualified property” in the first paragraph of section 752.0.10.1” in the portion of the first paragraph before subparagraph *a* by “qualified donee”.

(2) Subsection 1 has effect from 1 January 2012.

**119.** (1) Section 752.0.10.16 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) if the security is disposed of by the donee within 60 months after the particular time and paragraph *b* does not apply to the security, the individual is deemed to have made a gift to the donee of a property at the time of the disposition and the fair market value of the property is deemed to be the lesser of the fair market value of any consideration (other than a non-qualifying security of any person) received by the donee for the security and the fair market value of the security at the particular time that would, but for this section, have been included in the individual’s total charitable gifts or total Crown gifts for a taxation year;”.

(2) Subsection 1 has effect from 22 March 2011.

**120.** (1) The Act is amended by inserting the following sections after section 752.0.10.16:

“**752.0.10.16.1.** Section 752.0.10.16.2 applies if, as part of a series of transactions,

(a) an individual makes, at a particular time, a gift of a particular property to a qualified donee;

(b) a particular person holds a non-qualifying security of the individual; and

(c) the qualified donee acquires, directly or indirectly, a non-qualifying security of the individual or of the particular person.

“**752.0.10.16.2.** If this section applies because of section 752.0.10.16.1, the following rules apply:

(a) for the purposes of this chapter, the fair market value of the particular property is deemed to be reduced by an amount equal to the fair market value of the non-qualifying security acquired by the qualified donee;

(b) for the purposes of section 752.0.10.16, the following presumptions apply:

i. if the non-qualifying security acquired by the qualified donee is a non-qualifying security of the particular person, it is deemed to be a non-qualifying security of the individual, and

ii. the individual is deemed to have made, at the particular time referred to in section 752.0.10.16.1, a gift of the non-qualifying security acquired by the qualified donee, the fair market value of which may not exceed the amount by which the fair market value of the particular property determined without reference to paragraph *a* exceeds the fair market value of the particular property determined under paragraph *a*; and

(c) paragraph *b* of section 752.0.10.16 does not apply in respect of the gift.

**“752.0.10.16.3.** For the purposes of sections 752.0.10.16.1 and 752.0.10.16.2, if, as part of a series of transactions, an individual makes a gift to a qualified donee and the qualified donee acquires a non-qualifying security of a person (other than the individual or the particular person referred to in section 752.0.10.16.1) and it may reasonably be considered, having regard to all the circumstances, that one of the purposes or results of the acquisition of the non-qualifying security by the qualified donee was to facilitate, directly or indirectly, the making of the gift by the individual, the non-qualifying security acquired by the qualified donee is deemed to be a non-qualifying security of the individual.”

(2) Subsection 1 has effect from 22 March 2011.

**121.** (1) The Act is amended by inserting the following sections after section 752.0.10.18:

**“752.0.10.19.** Subject to sections 752.0.10.21 and 752.0.10.22, if an individual has granted an option to a qualified donee in a taxation year, no amount in respect of the option is to be included in computing the total charitable gifts, total Crown gifts, total cultural gifts, total gifts of qualified property or total musical instrument gifts of the individual for any year.

**“752.0.10.20.** Section 752.0.10.21 applies if

(a) an option to acquire a property of an individual is granted to a qualified donee;

(b) the option is exercised so that the property is disposed of by the individual and acquired by the qualified donee at a particular time; and

(c) either

i. the amount that is 80% of the fair market value of the property at the particular time is greater than or equal to the aggregate of

(1) the consideration received by the individual from the qualified donee for the property, and

(2) the consideration received by the individual from the qualified donee for the option, or

ii. the individual establishes to the satisfaction of the Minister that the granting of the option or the disposition of the property was made by the individual with the intention to make a gift to the qualified donee.

**“752.0.10.21.** If this section applies because of section 752.0.10.20, the following rules apply despite paragraph *a* of section 296:

(a) the individual is deemed to have received proceeds of disposition of the property equal to the property’s fair market value at the particular time referred to in paragraph *b* of section 752.0.10.20; and

(b) there shall be included in the individual’s total charitable gifts, for the taxation year that includes the particular time, the amount by which the property’s fair market value exceeds the aggregate of the amounts described in subparagraphs 1 and 2 of subparagraph *i* of paragraph *c* of section 752.0.10.20.

**“752.0.10.22.** If an option to acquire a particular property of an individual is granted to a qualified donee and the option is disposed of by the qualified donee (otherwise than by the exercise of the option) at a particular time, the following rules apply:

(a) the individual is deemed to dispose of a property at the particular time

i. the adjusted cost base of which to the individual immediately before the particular time is equal to the consideration paid by the qualified donee for the option, and

ii. the proceeds of disposition of which are equal to the lesser of the fair market value of the particular property at the particular time and the fair market value of any consideration (other than a non-qualifying security of a person) received by the qualified donee for the option; and

(b) there shall be included in the total charitable gifts of the individual for the individual’s taxation year that includes the particular time the amount by which the proceeds of disposition as determined by subparagraph *ii* of paragraph *a* exceed the consideration paid by the qualified donee for the option.

**“752.0.10.23.** Section 752.0.10.24 applies if a qualified donee has issued to an individual a receipt referred to in section 752.0.10.3 in respect of a transfer of a property (in this section and section 752.0.10.24 referred to as the “original property”) and a property (in this section and sections 752.0.10.24 to 752.0.10.26 referred to as the “particular property”) that is

(a) the original property is later transferred to the individual (unless that later transfer is reasonable consideration or remuneration for property acquired by or services rendered to a person); or

(b) any other property that may reasonably be considered compensation for or a substitute for, in whole or in part, the original property, is later transferred to the individual.

**“752.0.10.24.** If this section applies because of section 752.0.10.23, the following rules apply:

(a) irrespective of whether the transfer of the original property by the individual is a gift, the individual is deemed not to have disposed of the original property at the time of that transfer nor to have made a gift;

(b) if the particular property is identical to the original property, the particular property is deemed to be the original property; and

(c) if the particular property is not the original property,

i. the individual is deemed to have disposed of the original property at the time that the particular property is transferred to the individual for proceeds of disposition equal to the greater of the fair market value of the particular property at that time and the fair market value of the original property at the time that it was transferred by the individual to the qualified donee, and

ii. if, but for paragraph *a*, the transfer of the original property by the individual would be a gift, the individual is deemed to have, at the time of that transfer, transferred to the qualified donee a property that is the subject of a gift having a fair market value equal to the amount by which the fair market value of the original property at the time of that transfer exceeds the fair market value of the particular property at the time that it is transferred to the individual.

**“752.0.10.25.** If section 752.0.10.24 applies in respect of a transfer of a particular property to an individual and that particular property has a fair market value greater than \$50, the transferor must, in respect of that transfer, file a return containing prescribed information with the Minister not later than 90 days after the day on which the particular property was transferred and provide a copy of the return to the individual.

**“752.0.10.26.** If section 752.0.10.24 applies in respect of a transfer of a particular property to an individual, the Minister may, despite sections 1010 to 1011, make any assessment, reassessment or additional assessment of

tax, interest or penalties payable under this Part by a person for any taxation year to the extent that the assessment, reassessment or additional assessment can reasonably be regarded as relating to the transfer of the particular property.”

(2) Subsection 1, when it inserts sections 752.0.10.19 to 752.0.10.22 of the Act, applies in respect of an option granted after 21 March 2011.

(3) Subsection 1, when it inserts sections 752.0.10.23 to 752.0.10.26 of the Act, applies in respect of the transfer of a property that occurs after 21 March 2011. In addition, an information return filed with the Minister of Revenue on or before 17 July 2012 is deemed to have been filed with the Minister of Revenue within the time limit provided for in section 752.0.10.25 of the Act.

**122.** (1) Section 752.0.18.10 of the Act is amended

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

“iv. a university outside Canada if the individual pursued full-time studies leading to a degree, for a period of at least three consecutive weeks;”;

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

“(d) the amount of the individual’s examination fees paid in respect of the year or a preceding year if that year is subsequent to the taxation year 2010 to an educational institution referred to in subparagraph i or ii of paragraph *a*, a professional association, a provincial government department or other similar institution, in relation to an examination the individual has taken in the year if

i. the conditions set out in section 752.0.18.13 are met in respect of that amount, and

ii. the examination is required to obtain a professional status recognized under a law of Canada or of a province, or a licence or certification in respect of a trade, where that status, licence or certification allows the individual to practise the profession or trade in Canada.”

(2) Paragraph 1 of subsection 1 applies in respect of tuition fees paid for a taxation year subsequent to the taxation year 2010.

(3) Paragraph 2 of subsection 1 applies from the taxation year 2011.

**123.** (1) The Act is amended by inserting the following section after section 752.0.18.10.1:

“**752.0.18.10.2.** For the purposes of section 752.0.18.10, the examination fees of an individual includes ancillary fees and charges, other than fees and charges included in section 752.0.18.10.1, that are paid to an



educational institution referred to in subparagraph *i* of paragraph *a* of section 752.0.18.10, a professional order referred to in paragraph *b* of that section, a professional organization referred to in paragraph *c* of that section, or a professional association, a provincial government department or other similar institution referred to in paragraph *d* of that section, in relation to an examination taken by the individual, but does not include any fee or charge to the extent that it is levied in respect of

(a) property to be acquired by an individual;

(b) the construction, renovation or maintenance of any building or facility;  
or

(c) any fee or charge for a taxation year that, but for this paragraph, would be included because of this section in the individual's examination fees and that is not required to be paid by all the individuals taking the examination to the extent that the total for the year of all such fees and charges paid in respect of the individual's examination fees exceeds \$250."

(2) Subsection 1 applies from the taxation year 2011.

**124.** (1) Section 752.0.18.12 of the Act is amended by adding the following paragraph after paragraph *c*:

"(d) the examination fees in respect of which the individual is or was entitled to receive a reimbursement or any form of assistance under a program of the State or of Her Majesty in right of Canada or a province, other than Québec, designed to facilitate the entry or re-entry of workers into the labour force, where the amount of the reimbursement or assistance, as the case may be, is not included in computing the individual's income."

(2) Subsection 1 applies from the taxation year 2011.

**125.** (1) Section 752.0.22 of the Act is amended by replacing "776.1.5.0.17, 776.1.5.0.18, 752.0.18.8" by "752.0.18.8, 776.1.5.0.17, 776.1.5.0.18, 752.0.10.0.5".

(2) Subsection 1 applies from the taxation year 2011.

**126.** (1) Section 752.0.24 of the Act is amended

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

"(a) only the following amounts may be deducted by the individual under sections 752.0.0.1 to 752.0.7, 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 in respect of any period in the year throughout which the individual was resident in Canada:

i. such of the amounts deductible under sections 752.0.10.0.5, 752.0.10.6, 752.0.11 to 752.0.13.3, 752.0.18.3, 752.0.18.8, 752.0.18.10 and 752.0.18.15 as can reasonably be considered wholly applicable to such a period, computed as though that period were a whole taxation year, and”;

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

“(b) the amount deductible for the year under any of sections 752.0.0.1 to 752.0.7, 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 in respect of the part of the year that is not included in the period referred to in subparagraph *a* is to be computed as though such part were a whole taxation year.”;

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

“However, the amount deductible for the year by the individual under any of sections 752.0.0.1 to 752.0.7, 752.0.10.0.5 and 752.0.10.1 to 752.0.18.15 must not exceed the amount that would have been deductible under that section had the individual been resident in Canada throughout the year.”

(2) Subsection 1 applies from the taxation year 2011.

**127.** (1) Section 752.0.25 of the Act is amended, in the second paragraph,

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

“(a) where all or substantially all of the individual’s income for the year, as determined under section 28, is included in computing the individual’s taxable income earned in Canada for the year, such portion of the amounts determined under sections 752.0.0.1 to 752.0.10, 752.0.10.0.5 and 752.0.11 to 752.0.13.1.1, as is represented by the proportion described in the second paragraph of section 26; and”;

(2) by replacing “752.0.10.18” in subparagraph *b* by “752.0.10.26”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2011.

(3) Paragraph 2 of subsection 1 has effect from 22 March 2011.

**128.** (1) Section 752.0.27 of the Act is amended by inserting “, 752.0.10.0.5” before “and 752.0.14” in the portion of the first paragraph before subparagraph *a*.

(2) Subsection 1 applies from the taxation year 2011.

**129.** (1) Section 752.12 of the Act is amended by replacing “772.13” in paragraph *b* by “772.13.3”.

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual's taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or redetermine the individual's tax payable and make an assessment, a reassessment or an additional assessment.

**130.** (1) Section 752.14 of the Act is amended by replacing “772.13” by “772.13.3”.

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual's taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or redetermine the individual's tax payable and make an assessment, a reassessment or an additional assessment.

**131.** (1) Section 766.5 of the Act is amended by replacing the definition of “excluded amount” by the following definition:

““excluded amount”, in respect of an individual for a taxation year, means an amount that is the income from, or the taxable capital gain from the disposition of, a property acquired by or for the benefit of the individual as a consequence of the death of

(a) the individual's father or mother; or

(b) any other person, if the individual is enrolled as a full-time student during the year at an educational institution prescribed for the purposes of paragraph *d* of the definition of “trust” in section 890.15, or an individual in respect of whom subparagraphs *a* to *c* of the first paragraph of section 752.0.14 apply for the year;”.

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**132.** (1) The Act is amended by inserting the following sections after section 766.7:

**“766.7.1.** If a specified individual would have for a taxation year, but for this chapter, a taxable capital gain (other than an excluded amount) from a disposition of shares (other than shares listed on a designated stock exchange or shares of a mutual fund corporation) that are transferred, either directly or indirectly, in any manner whatever, to a person with whom the specified individual does not deal at arm's length, the amount of that taxable capital gain is deemed not to be a taxable capital gain and twice the amount is deemed to be received by the specified individual in the year as a taxable dividend that is not an eligible dividend.

**“766.7.2.** If a specified individual would be, but for this chapter, required under section 662 or paragraph *a* of section 663 to include an amount in

computing the specified individual's income for a taxation year, to the extent that the amount can reasonably be considered to be attributable to a taxable capital gain (other than an excluded amount) of a trust from a disposition of shares (other than shares listed on a designated stock exchange or shares of a mutual fund corporation) that are transferred, either directly or indirectly, in any manner whatever, to a person with whom the specified individual does not deal at arm's length, section 662 and paragraph *a* of section 663 do not apply in respect of the amount and twice the amount is deemed to be received by the specified individual in the year as a taxable dividend that is not an eligible dividend.”

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2011.

**133.** (1) The Act is amended by inserting the following section after section 771.1.1:

“**771.1.1.1.** In this Title, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.”

(2) Subsection 1 has effect from 22 December 2010.

**134.** Section 771.2.3 of the Act is repealed.

**135.** (1) Section 771.12 of the Act is amended by replacing the portion before paragraph *b* by the following:

**“771.12.** Subject to section 771.13, a corporation is an exempt corporation for a taxation year if it carries on or may carry on the business referred to in the certificate described in paragraph *a* and

(*a*) the corporation holds a certificate issued by Investissement Québec certifying that the business referred to in the certificate is

i. an innovative project carried out by the corporation in an information technology development centre,

ii. an innovative project carried out by the corporation in a new economy centre, or

iii. an innovative project carried out by the corporation in a biotechnology development centre;”.

(2) Subsection 1 has effect from 1 January 2011.

**136.** (1) Section 772.2 of the Act is amended by inserting “772.13.2,” after “767,” in the definition of “tax otherwise payable”.

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual’s taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or redetermine the individual’s tax payable and make an assessment, a reassessment or an additional assessment.

**137.** (1) The Act is amended by inserting the following after section 772.13:

**“CHAPTER I.0.1**

**“TAX CREDIT COMPENSATING TAX PAID TO THE GOVERNMENT OF A PROVINCE OTHER THAN QUÉBEC**

**“772.13.1.** In this chapter,

“eligible individual” for a taxation year means an individual who

(*a*) is deemed to have been resident in Québec throughout the taxation year on the ground that the individual sojourned in Québec for a period of, or periods the total of which is, 183 days or more and was ordinarily resident outside Canada; and

(*b*) is resident, under a tax agreement that Canada has entered into with a particular country, in the particular country and not in Canada and consequently is deemed, for the purposes of the Income Tax Act (Revised Statutes of Canada,

1985, chapter 1, 5th Supplement) and because of subsection 5 of section 250 of that Act, not to be resident in Canada for the year;

“tax otherwise payable” by an individual under this Part for a taxation year means the tax payable by the individual for the year under this Part, computed without taking into account this chapter and sections 766.2 to 766.3, 767, 772.2 to 772.13, 772.14 to 776.1.6, 1183 and 1184.

**“772.13.2.** An eligible individual for a taxation year may deduct from the individual’s tax otherwise payable under this Part for the year the aggregate of all amounts each of which is an income tax the individual pays for the year to the government of a province, other than Québec, that may reasonably be considered to relate to the portion of the individual’s income from an office or employment that is, for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), included in computing the individual’s taxable income earned in Canada for the year under subparagraph i of paragraph *a* of subsection 1 of section 115 of that Act and that is attributable to the duties performed by the individual in that province.

**“772.13.3.** The deduction provided for in section 772.13.2 in respect of an eligible individual for a taxation year must not exceed the proportion, without exceeding 1, of the individual’s tax otherwise payable under this Part for the year that the amount that is the portion of the individual’s income from an office or employment that is, for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), included in computing the individual’s taxable income earned in Canada for the year under subparagraph i of paragraph *a* of subsection 1 of section 115 of that Act and that is attributable to the duties performed by the individual in a province other than Québec, except the portion of that amount that is deducted by the individual in computing the individual’s taxable income for the year under paragraph *a* of section 725, is of the individual’s taxable income for the year.”

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual’s taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or redetermine the individual’s tax payable and make an assessment, a reassessment or an additional assessment.

**138.** (1) Section 776.41.21 of the Act is amended, in the second paragraph,

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

“ii. the amount of the person’s examination fees that are paid in respect of the year and that are referred to in any of paragraphs *b* to *d* of section 752.0.18.10; and”;

(2) by inserting “752.0.10.0.5,” after “752.0.7.4,” in subparagraph *b*.

(2) Subsection 1 applies from the taxation year 2011.

**139.** (1) Section 776.42 of the Act is amended by replacing “772.13” by “772.13.3”.

(2) Subsection 1 applies from the taxation year 2011. It also applies to an individual’s taxation year for which the Minister of Revenue may, on 21 December 2011 and under sections 1010 to 1011 of the Act, determine or redetermine the individual’s tax payable and make an assessment, a reassessment or an additional assessment.

**140.** (1) Section 776.65 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the amount deducted under any of sections 752.0.0.1 to 752.0.10.0.5, 752.0.14, 752.0.18.3 to 752.0.18.15, 776.1.5.0.17, 776.1.5.0.18 and 776.41.14 in computing the individual’s tax payable for the year under this Part; or”.

(2) Subsection 1 applies from the taxation year 2011. However, when subparagraph *a* of the first paragraph of section 776.65 of the Act applies to the taxation year 2011, it is to be read as follows:

“(a) the amount deducted under any of sections 752.0.0.1 to 752.0.10, 752.0.10.0.5, 752.0.14, 752.0.18.3 to 752.0.18.15, 776.1.5.0.17, 776.1.5.0.18 and 776.41.14 in computing the individual’s tax payable for the year under this Part; or”.

**141.** (1) Section 782 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) in Chapters I.0.1, I.0.2, I.0.2.0.2 and I.0.3 of Title I of Book V;”.

(2) Subsection 1 applies from the taxation year 2011.

**142.** (1) Section 835 of the Act is amended by replacing “a person or entity described in paragraphs *a* to *c* of section 710” in subparagraph 7 of subparagraph *ii* of subparagraph *l* of the first paragraph by “a qualified donee”.

(2) Subsection 1 has effect from 1 January 2012.

**143.** (1) Section 905.0.3 of the Act is amended

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

““specified year” for a disability savings plan of a beneficiary means a calendar year, other than an excluded year, that is either the particular calendar year in which a physician licensed to practise 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, or

(a) if the plan is a specified disability savings plan, a year subsequent to the particular calendar year; or

(b) in any other case, any of the five calendar years following the particular calendar year.”;

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

““excluded year” means a calendar year prior to the calendar year in which the certification mentioned in the definition of “specified year” is provided to the issuer of the plan;”;

(3) by replacing the definition of “individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions” by the following definition:

““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 an amount is deductible under section 118.3 of the Income Tax Act in computing the individual's tax payable under Part I of that Act for the year or that would be deductible if that section were read without reference to paragraph *c* of its subsection 1;”.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2011.

(3) Paragraph 3 of subsection 1 applies from the taxation year 2008.

**144.** (1) Section 905.0.4 of the Act is amended by replacing “paragraphs *f* to *h* and *n*” in paragraph *d* by “subparagraphs *f* to *h* and *n* of the first paragraph”.

(2) Subsection 1 has effect from 1 July 2011.

**145.** (1) The Act is amended by inserting the following sections after section 905.0.4:

**“905.0.4.1.** If, in respect of a beneficiary under a registered disability savings plan, a physician licensed to practise 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, the holder of the plan elects in prescribed form and provides the election and the medical certification in respect of the beneficiary under the plan to the issuer of the plan, and the issuer notifies the Minister of the election in a manner and format acceptable to the Minister, the plan becomes a specified disability savings plan at the time the notification is received by the Minister.



Unless the Minister decides otherwise, the conditions of the first paragraph are deemed to be met in relation to a registered disability savings plan when the conditions of subsection 1.1 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) are met in relation to that plan and the Minister is deemed to have received the notification referred to in the first paragraph at the time the Minister responsible for the administration of the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35) receives the notification referred to in that subsection 1.1 in relation to that plan.

**“905.0.4.2.** A plan ceases to be a specified disability savings plan at the earliest of the following times:

(a) the time that the Minister receives a notification, in a manner and format acceptable to the Minister, from the issuer that the holder of the plan elects that the plan is to cease to be a specified disability savings plan;

(b) the time that is immediately before the earliest time in a calendar year when the total disability assistance payments, other than non-taxable portions, made under the plan in the year and while it was a specified disability savings plan exceeds \$10,000 (or, in the case of a plan to which subparagraph *f* applies, such greater amount as is required to satisfy the condition of that subparagraph);

(c) the time that is immediately before the time that a contribution or an amount described in paragraph *a* or *b* of section 905.0.4 is paid into the plan;

(d) the time that is immediately before the time that the plan is terminated or the plan ceases to be a registered disability savings plan as a result of the application of subparagraph *a* of the first paragraph of section 905.0.20;

(e) if lifetime disability assistance payments have not begun to be paid before the end of the particular calendar year following the year in which the plan last became a specified disability savings plan, the time immediately following the end of that particular calendar year; and

(f) the time immediately following the end of a particular year in which the plan is a plan to which subparagraph *n* of the first paragraph of section 905.0.6 applies if the total amount of disability assistance payments made from the plan in that particular year is less than the amount determined by the formula in subparagraph *l* of that first paragraph in respect of the plan for the same year (or such lesser amount as is supported by the property of the plan trust).

Unless the Minister decides otherwise, the Minister is deemed to have received the notification referred to in subparagraph *a* of the first paragraph, in relation to a disability savings plan, at the time the Minister responsible for the administration of the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35) receives the notification referred to in paragraph *a* of subsection 1.2 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in relation to that plan.

**“905.0.4.3.** If at a particular time, a plan has ceased to be a specified disability savings plan because of section 905.0.4.2, the holder of the plan may not make an election under section 905.0.4.1 until 24 months after that time.

**“905.0.4.4.** The Minister may waive the application of section 905.0.4.2 or 905.0.4.3 if the Minister deems it is just and equitable to do so.”

(2) Subsection 1 applies from the taxation year 2011. However,

(1) the election under section 905.0.4.1 of the Act may not be made before 26 June 2011; and

(2) in the case of a specified disability savings plan in respect of which the required medical certification was obtained before 1 January 2012, subparagraph *b* of the first paragraph of section 905.0.4.2 of the Act, when it applies to the taxation year 2012, is to be read as follows:

“(b) the time that is immediately before the earliest time in a calendar year when the total disability assistance payments, other than non-taxable portions, made under the plan while it was a specified disability savings plan exceeds \$20,000 (or, in the case of a plan to which subparagraph *f* applies, such greater amount as is required to satisfy the condition of that subparagraph);”.

**146.** Section 905.0.12 of the Act is replaced by the following section:

**“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 properties that are not qualified investments for the trust and no capital gains or capital losses other than from the disposition of such properties.”

**147.** (1) Section 905.1 of the Act is amended by inserting the following subparagraph after subparagraph ii of paragraph *a*:

“ii.1. an amount in respect of which the annuitant pays a tax under Part XI.01 of the Income Tax Act, unless the tax is waived, cancelled or refunded.”.

(2) Subsection 1 applies in respect of transactions occurring, income earned, capital gains accruing and investments acquired after 22 March 2011.

**148.** (1) Section 921.2 of the Act is replaced by the following section:

**“921.2.** Despite section 919, where, in a taxation year, a trust governed by a registered retirement savings plan holds a property that is a non-qualified investment for the purposes of subsection 10.1 of section 146 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), tax is payable under this Part by the trust on the amount that its taxable income for the year would be if it had no incomes or losses from sources other than non-qualified investments and no capital gains or capital losses other than from dispositions of non-qualified investments.”

(2) Subsection 1 has effect from 23 March 2011.

**149.** (1) Sections 926 and 927 of the Act are repealed.

(2) Subsection 1 applies in respect of an investment acquired after 22 March 2011.

**150.** (1) Section 933 of the Act is replaced by the following section:

**“933.** If, at any time in a taxation year, a trust governed by a registered retirement savings plan uses or permits to be used any property of the trust as security for a loan, the individual who is an annuitant under the plan at that time shall include, in computing the individual’s income for the year, the fair market value of the property at the time it commenced to be so used.”

(2) Subsection 1 applies in respect of an investment acquired after 22 March 2011.

**151.** Section 935.1 of the Act is amended by replacing paragraph *b* of the definition of “specified disabled person” in the first paragraph by the following paragraph:

“(b) would be entitled to a deduction under subsection 1 of section 118.3 of the Income Tax Act in computing the person’s tax payable under Part I of this Act for the person’s taxation year that includes that time if that subsection were read without reference to its paragraph *c*.”

**152.** Section 935.23 of the Act is replaced by the following section:

**“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 such investments and no capital gains or capital losses other than from the disposition of such investments.”

**153.** (1) Section 961.15 of the Act is replaced by the following section:

**“961.15.** Despite section 961.12, a trust governed by a registered retirement income fund that holds, at any time in a taxation year, a property that is not a qualified investment for the purposes of subsection 9 of section 146.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) shall pay tax under this Part on the amount that its taxable income for the year would be if the trust had no incomes or losses from sources other than properties that are not such qualified investments and no capital gains or capital losses other than from the disposition of such properties.”

(2) Subsection 1 has effect from 23 March 2011.

**154.** (1) Section 961.17 of the Act is amended by adding the following subparagraph after subparagraph *c* of the first paragraph:

“(d) an amount in respect of which the taxpayer pays a tax under Part XI.01 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), unless the tax is waived, cancelled or refunded.”

(2) Subsection 1 applies in respect of transactions occurring, income earned, capital gains accruing and investments acquired after 22 March 2011.

**155.** (1) Section 961.19 of the Act is replaced by the following section:

**“961.19.** If, at any time in a taxation year, a trust governed by a registered retirement income fund uses or permits to be used any property of the trust as security for a loan, the annuitant under the fund at that time shall include, in computing the annuitant’s income for the year, the fair market value of the property at the time it commenced to be so used.”

(2) Subsection 1 applies in respect of an investment acquired after 22 March 2011.

**156.** (1) Section 961.20 of the Act is repealed.

(2) Subsection 1 applies in respect of an investment acquired after 22 March 2011.

**157.** (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 Titles III, III.1, IV, IV.3 and V.1, where, at a particular time, a taxpayer that is a trust governed by a registered education savings plan, a registered disability 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 2008. However, when the portion of section 961.24 of the Act before paragraph *a* applies to the taxation year 2008, it is to be read as if “, IV.3” and “a tax-free savings account,” were struck out.

**158.** Section 965.34.3 of the Act is repealed.

**159.** (1) The heading of Book VIII of Part I of the Act is replaced by the following heading:

“EXEMPTIONS AND QUALIFIED DONEES”.

(2) Subsection 1 has effect from 1 January 2012.

**160.** (1) Section 985.1 of the Act is amended

(1) by striking out paragraph *b*;

(2) by replacing “exercice” in paragraph *c* in the French text by “exploitation”;

(3) by inserting the following paragraphs after paragraph *f*:

“(f.1) “relevant criminal offence” means a criminal offence under an Act of Canada, or an offence that would be a criminal offence if it were committed in Canada, and that

i. relates to financial dishonesty, including tax evasion, theft and fraud, or

ii. in respect of a charity, a Canadian amateur athletic association, within the meaning of section 985.23.2, or a Québec amateur athletic association, within the meaning of section 985.23.3, is relevant to the operation of the charity or association;

“(f.2) “relevant offence” means an offence, other than a relevant criminal offence, under an Act of Québec, of another province or of Canada, or an offence that would be such an offence if it were committed in Canada, or that

i. relates to financial dishonesty, including an offence under charitable fundraising legislation, consumer protection legislation or securities legislation, or

ii. in respect of a charity, a Canadian amateur athletic association, within the meaning of section 985.23.2, or a Québec amateur athletic association, within the meaning of section 985.23.3, is relevant to the operation of the charity or association;”;

(4) by adding the following paragraphs after paragraph *g*:

“(h) “ineligible individual”, at a particular time, means an individual who has been

i. convicted of a relevant criminal offence unless it is a conviction for which either a pardon has been granted and has neither been revoked nor ceased to have effect, or a record suspension has been ordered under the Criminal Records Act (Revised Statutes of Canada, 1985, chapter C-47) or a pardon has been granted or issued under that Act and that record suspension or pardon has neither been revoked nor ceased to have effect,

ii. convicted of a relevant offence in the five-year period preceding the particular time,

iii. a director, trustee, officer or like official of a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association during a period in which the charity or association engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration under this Act or the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and for which its registration was revoked in the five-year period preceding the particular time,

iv. an individual who controlled or managed, directly or indirectly, in any manner whatever, a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association during a period in which the charity or association engaged in conduct that can reasonably be considered to have constituted a serious breach of the requirements for registration under this Act or the Income Tax Act and for which its registration was revoked in the five-year period preceding the particular time, or

v. a promoter in respect of a tax shelter that involved a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association, the registration of which was revoked under this Act or the Income Tax Act in the five-year period preceding the particular time for reasons that included or were related to participation in the tax shelter;

“(i) “promoter” has the meaning assigned by section 1079.1.”

(2) Paragraphs 1, 3 and 4 of subsection 1 have effect from 1 January 2012. However, when subparagraph i of paragraph *h* of section 985.1 of the Act applies before 13 March 2012, it is to be read as follows:

“i. convicted of a relevant criminal offence unless it is a conviction for which a pardon has been granted or issued and the pardon has neither been revoked nor ceased to have effect,”.

**161.** Section 985.2 of the Act is amended by replacing “exerce” in paragraph *a* in the French text by “exploite”.

**162.** (1) Section 985.8.1 of the Act is amended by adding the following paragraph after paragraph *d*:

“(e) of a registered charity, if an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever.”

(2) Subsection 1 has effect from 1 January 2012.

**163.** (1) Division III.0.1 of Chapter III.1 of Title I of Book VIII of Part I of the Act, comprising sections 985.8.2 to 985.8.4, is repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2011.

(3) In addition, when section 985.8.4 of the Act applies to a taxation year that begins after 22 March 2004, it is to be read as if “subsection 2” was replaced by “subsection 1 or 2”.

**164.** (1) The Act is amended by inserting the following section after section 985.8.5:

“**985.8.5.1.** The Minister may refuse, in the manner described in section 985.8.5, to register a person as a registered charity if

(a) the application for registration is made on the person’s behalf by an ineligible individual; or

(b) an ineligible individual is a director, trustee, officer or like official of the charity, or controls or manages the charity, directly or indirectly, in any manner whatever.”

(2) Subsection 1 has effect from 1 January 2012.

**165.** (1) The Act is amended by inserting the following after section 985.23:

#### “CHAPTER III.1.1

#### “REGISTERED AMATEUR ATHLETIC ASSOCIATIONS

“**985.23.1.** In this chapter,

“Canadian amateur athletic association” means an association described in section 985.23.2;

“ineligible individual” has the meaning assigned by paragraph *h* of section 985.1;

“promoter” has the meaning assigned by section 1079.1;

“Québec amateur athletic association” means an association described in section 985.23.3;

“related business” of a Canadian amateur athletic association or a Québec amateur athletic association includes a business that is unrelated to the purposes of the association if substantially all persons employed by the association in the carrying on of that business are not remunerated for that employment;

“taxation year” means a fiscal period.

**“985.23.2.** A Canadian amateur athletic association means an association that

(a) is created under any law in force in Canada;

(b) is resident in Canada;

(c) has no part of its income payable to, or otherwise available for the personal benefit of, any proprietor, member or shareholder of the association unless the proprietor, member or shareholder is a club, society or association the primary purpose and primary function of which is the promotion of amateur athletics in Canada; and

(d) has the promotion of amateur athletics in Canada on a nationwide basis as its exclusive purpose and exclusive function and devotes all its resources to that purpose and function.

**“985.23.3.** A Québec amateur athletic association means an association that

(a) is created under any law of Québec or Canada;

(b) has its management and control centre in Québec;

(c) has no part of its income payable to, or otherwise available for the personal benefit of, any proprietor, member or shareholder of the association unless the proprietor, member or shareholder is a club, society or association the primary purpose and primary function of which is the promotion of amateur athletics in Canada; and

(d) has the promotion of amateur athletics in Québec on a Québec-wide basis as its exclusive purpose and exclusive function and devotes all its resources to that purpose and function.

**“985.23.4.** A Canadian amateur athletic association or a Québec amateur athletic association is deemed to devote its resources to its exclusive purpose and exclusive function to the extent that

(a) it carries on a related business; or



(b) it carries on activities involving the participation of professional athletes, if those activities are ancillary and incidental to its exclusive purpose and exclusive function.

**“985.23.5.** A Canadian amateur athletic association or a Québec amateur athletic association that devotes part of its resources to political activities is deemed to devote that part of its resources to its exclusive purpose and exclusive function if

(a) it devotes substantially all its resources to its purpose and function; and

(b) those political activities are ancillary and incidental to its purpose and function and do not include the direct or indirect support of, or opposition to, any political party or candidate for public office.

**“985.23.6.** The Minister may, on application made to the Minister in the prescribed form, register a Canadian amateur athletic association or a Québec amateur athletic association as such.

Subject to the Minister’s power to refuse or revoke registration, a Canadian amateur athletic association validly registered as such under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is deemed to be also registered as such with the Minister.

**“985.23.7.** A registered Canadian amateur athletic association or a registered Québec amateur athletic association shall, within six months from the end of each taxation year of the association and without notice or demand, file with the Minister an information return for the year in the prescribed form containing prescribed information.

Despite the first paragraph, a Canadian amateur athletic association that is deemed, under the second paragraph of section 985.23.6, to be registered with the Minister, is only required to file an information return in the prescribed form if the Minister so requests.

**“985.23.8.** A registered Canadian amateur athletic association or a registered Québec amateur athletic association is exempt from tax.

**“985.23.9.** The Minister may, in the manner described in sections 1064 and 1065, revoke the registration of a Canadian amateur athletic association or a Québec amateur athletic association if

(a) the association carries on a business that is not a related business; or

(b) an ineligible individual is a director, trustee, officer or like official of the association, or controls or manages the association, directly or indirectly, in any manner whatever.

**“985.23.10.** Sections 985.8.5 and 985.8.5.1, and sections 93.1.9.1, 93.1.10.1 and 93.1.17 to 93.1.22 of the Tax Administration Act (chapter A-6.002) apply, with the necessary modifications, in respect of an application for registration as a Canadian amateur athletic association or a Québec amateur athletic association as if it were an application for registration as a charity.”

(2) Subsection 1, when it enacts sections 985.23.1 to 985.23.6 and 985.23.8 to 985.23.10 of the Act, has effect from 1 January 2012.

(3) Subsection 1, when it enacts section 985.23.7 of the Act, applies to a taxation year that begins after 31 December 2011.

**166.** (1) Section 985.25 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) sections 710 to 714, 716.0.2, 716.0.4 to 716.0.11, 752.0.10.1 to 752.0.10.11 and 752.0.10.12 to 752.0.10.26, Divisions I and III to VI of Chapter III.1 and Title VIII of Book IX; and”.

(2) Subsection 1 has effect from 22 March 2011.

**167.** (1) Section 985.35.1 of the Act is amended by replacing paragraph *a* of the definition of “qualified donee” by the following paragraph:

“(a) described in subparagraph *i* of paragraph *d* of section 710, paragraph *g* or *j* of the definition of “qualified donee” in section 999.2 or subparagraph *ii* of paragraph *a* of the definition of “qualified donee” in subsection 1 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and whose registration as a qualified donee has not been revoked by the Minister of National Revenue;”.

(2) Subsection 1 has effect from 1 January 2012.

**168.** (1) Section 985.35.10 of the Act is replaced by the following section:

**“985.35.10.** Paragraph *e* of section 985.8.1, sections 985.8.5, 985.8.5.1 and 1063 to 1065, and sections 93.1.9.1, 93.1.9.2, 93.1.10.1 and 93.1.17 to 93.1.22 of the Tax Administration Act (chapter A-6.002) apply, with the necessary modifications, to a registered museum, or in respect of an application for registration as such a museum, as if it were a registered charity or an application for registration as a charity, as the case may be.”

(2) Subsection 1 has effect from 1 January 2012. However, when section 985.35.10 of the Act applies to a taxation year that includes 1 January 2012, it is to be read as if “sections 985.8.5,” was replaced by “sections 985.8.2 to”.

**169.** (1) Section 985.35.11 of the Act is amended by replacing paragraph *a* of the definition of “qualified donee” by the following paragraph:

“(a) described in subparagraph *i* of paragraph *d* of section 710, in paragraph *f* or *j* of the definition of “qualified donee” in section 999.2 or in subparagraph *ii* of paragraph *a* of the definition of “qualified donee” in subsection 1 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and whose registration as a qualified donee has not been revoked by the Minister of National Revenue;”.

(2) Subsection 1 has effect from 1 January 2012.

**170.** (1) Section 985.35.20 of the Act is replaced by the following section:

“**985.35.20.** Paragraph *e* of section 985.8.1, sections 985.8.5, 985.8.5.1 and 1063 to 1065, and sections 93.1.9.1, 93.1.9.2, 93.1.10.1 and 93.1.17 to 93.1.22 of the Tax Administration Act (chapter A-6.002) apply, with the necessary modifications, to a registered cultural or communications organization, or in respect of an application for registration as such an organization, as if it were a registered charity or an application for registration as a charity, as the case may be.”

(2) Subsection 1 has effect from 1 January 2012. However, when section 985.35.20 of the Act applies to a taxation year that includes 1 January 2012, it is to be read as if “sections 985.8.5,” was replaced by “sections 985.8.2 to”.

**171.** (1) Section 985.44 of the Act is replaced by the following section:

“**985.44.** Paragraph *e* of section 985.8.1, sections 985.8.5, 985.8.5.1 and 1063 to 1065, and sections 93.1.9.1, 93.1.9.2, 93.1.10.1 and 93.1.17 to 93.1.22 of the Tax Administration Act (chapter A-6.002) apply, with the necessary modifications, to a recognized political education organization, or in respect of an application for recognition as such an organization, as if it were a registered charity or an application for registration as a charity, as the case may be.”

(2) Subsection 1 has effect from 1 January 2012. However, when section 985.44 of the Act applies to a taxation year that includes 1 January 2012, it is to be read as if “sections 985.8.5,” was replaced by “sections 985.8.2 to”.

**172.** (1) The Act is amended by inserting the following after section 999.1:

**“TITLE II****“QUALIFIED DONEES****“CHAPTER I****“DEFINITION**

**“999.2.** In this Title, “qualified donee”, at a particular time, means

(a) a person described in any of subparagraphs i to v of paragraph *a* of the definition of “qualified donee” in subsection 1 of section 149.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and whose registration as a qualified donee has not been revoked by the Minister of National Revenue;

(b) a registered charity;

(c) a registered Canadian amateur athletic association;

(d) a registered Québec amateur athletic association;

(e) a recognized political education organization;

(f) a registered museum;

(g) a registered cultural or communications organization;

(h) the Organisation internationale de la Francophonie or any of its subsidiary bodies;

(i) the United Nations or any of its agencies; or

(j) the State or Her Majesty in right of Canada or a province, other than Québec.

**“CHAPTER II****“TEMPORARY SUSPENSION OF THE AUTHORITY TO ISSUE RECEIPTS**

**“999.3.** The Minister may give notice by registered mail to a person that is a municipality referred to in paragraph *a* of the definition of “qualified donee”, provided it is a Québec municipality, or that is a person referred to in any of paragraphs *b* to *g* of that definition, such a person being referred to as a “donee” in this chapter, that the authority of the person to issue receipts in accordance with the regulations is suspended for one year from the eighth day after the notice is mailed if

(a) the donee contravenes any of the provisions of Division V of Chapter III of the Tax Administration Act (chapter A-6.002);

(b) it may reasonably be considered that the donee has acted, in concert with another donee that is the subject of a suspension under this Book, to accept a gift or transfer of property on behalf of that other donee; or

(c) an ineligible individual is a director, trustee, officer or like official of the donee, or controls or manages the donee, directly or indirectly, in any manner whatever, unless the donee is a municipality.

For the purposes of the first paragraph, “ineligible individual” has the meaning assigned by paragraph *h* of section 985.1 where the donee is a registered charity, a registered Canadian amateur athletic association or a registered Québec amateur athletic association, and, in any other case, has the meaning that would be assigned by that paragraph *h*, if that paragraph applied to the donee, with the necessary modifications.

**“999.4.** Subject to section 93.1.9.2 of the Tax Administration Act (chapter A-6.002), the following rules apply if the Minister has issued a notice to a donee in accordance with section 999.3:

(a) the donee is deemed, in respect of gifts made and property transferred to the donee within the one-year period that begins on the day that is seven days after the notice is mailed, not to be a qualified donee for the purposes of sections 710 and 752.0.10.1 and the Regulation respecting the Taxation Act (R.R.Q., chapter I-3, r. 1); and

(b) if the donee is, during that period, offered a gift from any person, the donee shall, before accepting the gift, inform that person that it has received the notice, that no deduction under section 710 or 752.0.10.6 may be claimed in respect of a gift made to it in the period, and that a gift made in the period is not a gift to a qualified donee.

**“999.5.** If the authority of a qualified donee to issue receipts is suspended for the purposes of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) under subsection 1 or 2 of section 188.2 of that Act, the authority is deemed to be suspended for the purposes of this Act and the regulations, subject to a postponement of the period of suspension under subsection 4 of that section 188.2.”

(2) Subsection 1, when it enacts Chapter I of Title II of Book VIII of Part I of the Act, comprising section 999.2, has effect from 1 January 2012.

(3) Subsection 1, when it enacts Chapter II of Title II of Book VIII of Part I of the Act, comprising sections 999.3 to 999.5, applies to a taxation year that begins after 31 December 2011.

**173.** (1) Section 1015 of the Act is amended

(1) by replacing “1015.0.1 and 1015.0.2” in the first paragraph by “1015.0.0.1 to 1015.0.2”;

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

“The tables determining the amount to be deducted or withheld from an amount paid, allocated, granted or awarded in a taxation year are posted on the Revenu Québec website.”;

(3) by adding the following paragraph after the eighth paragraph:

“The Minister shall publish in the *Gazette officielle du Québec* a notice of the date of coming into force of the tables and the address of the website on which they are posted.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2011.

**174.** (1) The Act is amended by inserting the following section after section 1015:

“**1015.0.0.1.** For the purposes of subparagraph *a* of the second paragraph of section 1015 in respect of an amount received or enjoyed by an individual for the performance of duties as a volunteer firefighter, section 39.6 is to be read without reference to its second paragraph.”

(2) Subsection 1 applies from the taxation year 2011.

**175.** Section 1029.6.0.0.1 of the Act is amended by replacing subparagraph *b* of the second paragraph 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.6.5.3, II.6.6.1 to II.6.6.7 and II.6.14.3, 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;”.

**176.** Section 1029.6.0.1 of the Act is amended by replacing “II.6.8” in paragraphs *a* and *b* by “II.6.14.2”.

**177.** Section 1029.6.0.1.2.1 of the Act is amended by replacing “II.6.8” by “II.6.14.2”.

**178.** Section 1029.6.0.1.2.2 of the Act is amended by replacing “II.6.8” in subparagraph *i* of subparagraph *a* of the first paragraph and in subparagraph *b* of that paragraph by “II.6.14.2”.

**179.** Section 1029.6.0.1.2.3 of the Act is amended by replacing “II.6.8” in subparagraph *b* of the first paragraph by “II.6.14.2”.

**180.** Section 1029.6.0.1.2.4 of the Act is amended by replacing “II.6.8” in subparagraph *a* of the first paragraph by “II.6.14.2”.

**181.** Section 1029.6.0.1.8 of the Act is replaced by the following section:

**“102960.1.8.** For the purposes of Divisions II, II.1, II.2.1, II.3, II.3.0.1, II.6 to II.6.0.0.5, II.6.0.1.2 to II.6.0.4, II.6.2, II.6.5, II.6.6.1 to II.6.6.7 and II.6.15 and for the purpose of determining the salaries or wages a person, a partnership or any other entity has incurred or paid in respect of the person’s, partnership’s or entity’s employees for a particular period for particular activities or duties, the Minister may take into account the remuneration that would not otherwise be included in those salaries or wages that the person, partnership or entity has incurred or paid in respect of an employee while the employee was temporarily absent from the employee’s employment for reasons the Minister considers reasonable.”

**182.** (1) The Act is amended by inserting the following section after section 1029.6.0.1.8.5:

**“102960.1.8.6** In this chapter, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(*a*) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(*b*) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without its being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.

Where, for the purposes of a division of this chapter, a document certifies that a favourable advance ruling has been given, any rule set out in the first

paragraph according to which the document is deemed to have been issued or not to have been issued must be considered to be a rule according to which the ruling is deemed to have been given or not to have been given.

It is understood that a document is considered to have never been issued if, under a provision of this chapter, it is null as of the time it was issued or deemed to be issued.”

(2) Subsection 1 has effect from 22 December 2010.

**183.** (1) Section 1029.7 of the Act is amended by replacing subparagraph xii of subparagraph *b* of the third paragraph by the following subparagraph:

“xii. an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**184.** (1) Section 1029.8 of the Act is amended by replacing subparagraph xi of subparagraph *b* of the third paragraph by the following subparagraph:

“xi. an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**185.** (1) Section 1029.8.0.0.1 of the Act is amended

(1) by replacing subparagraphs i to iii of paragraph *a* by the following subparagraphs:

“i. the name of the person or partnership referred to in that subparagraph with whom the taxpayer or the partnership of which the taxpayer is a member has entered into the contract or particular contract, as the case may be, referred to in that subparagraph, the registration number assigned to that person or partnership in accordance with the Act respecting the Québec sales tax (chapter T-0.1) and, where that person is an individual, that person’s Social Insurance Number,

“ii. the total amount of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph in respect of the scientific research and experimental development or the work



relating to that scientific research and experimental development, as the case may be, referred to in that section, and

“iii. the amount of the portion of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, in respect of the scientific research and experimental development or the work relating to that scientific research and experimental development, as the case may be, referred to in that section;”;

(2) by replacing subparagraphs i to iii of paragraph *b* by the following subparagraphs:

“i. the name of the other person or partnership referred to in that subparagraph with whom the person or partnership with whom a contract has been entered into by the taxpayer or the partnership of which the taxpayer is a member has entered into the particular contract referred to in that subparagraph, the registration number assigned to that other person or partnership in accordance with the Act respecting the Québec sales tax and, where that other person is an individual, that other person’s Social Insurance Number,

“ii. the total amount of the consideration provided for in the particular contract referred to in that subparagraph that is required to be paid to the other person or partnership and that relates to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken on behalf of the taxpayer or the partnership of which the taxpayer is a member under the contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph, and

“iii. the amount of the portion of the consideration provided for in the particular contract referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, to the other person or partnership and that relates to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken on behalf of the taxpayer or the partnership of which the taxpayer is a member under the contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph; and”;

(3) by replacing subparagraphs i to iii of paragraph *c* by the following subparagraphs:

“i. the name of the other person or partnership referred to in that subparagraph with whom the person or partnership with whom a particular contract has been entered into by the taxpayer or the partnership of which the taxpayer is a

member has entered into the other particular contract referred to in that subparagraph, the registration number assigned to that other person or partnership in accordance with the Act respecting the Québec sales tax and, where that other person is an individual, that other person's Social Insurance Number,

“ii. the total amount of the consideration provided for in the other particular contract referred to in that subparagraph that is required to be paid to the other person or partnership and that relates to the work relating to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken under the particular contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph, and

“iii. the amount of the portion of the consideration provided for in the other particular contract referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, to the other person or partnership and that relates to the work relating to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken under the particular contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph.”;

(4) by adding the following paragraph:

“In addition, where the first paragraph applies to a taxpayer in respect of an expenditure that is a portion of a consideration referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.7 or 1029.8 and that is an indemnity referred to in the second paragraph of section 1029.8.0.0.2 and attributable to that portion of consideration, it is to be read as if “person's Social Insurance Number” was replaced by “person's date of birth” in any of the following provisions:

(a) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *c* or *e* of the first paragraph of section 1029.7 or 1029.8, as the case may be, subparagraph *i* of subparagraph *a* of the first paragraph;

(b) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *g* of the first paragraph of section 1029.7 or 1029.8, as the case may be, subparagraph *i* of subparagraph *b* of the first paragraph; or

(c) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *i* of the first paragraph of section 1029.7 or 1029.8, as the case may be, subparagraph *i* of subparagraph *c* of the first paragraph.”

(2) Subsection 1 applies in respect of a return that must be filed with the Minister of Revenue in relation to a taxation year of a taxpayer that ends after

30 March 2010. However, when subsection 1 applies to a taxation year of a taxpayer that ends after 30 March 2010 and before 1 November 2010, the taxpayer is, in respect of an expenditure that is a portion of a consideration referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.7 or 1029.8 of the Act and that is an indemnity referred to in the second paragraph of section 1029.8.0.0.2 of the Act and attributable to that portion of consideration, deemed to have filed that return in the prescribed form referred to in the first paragraph of section 1029.6.0.1.2 of the Act within the time specified in the first paragraph of section 1029.8.0.0.1 of the Act if, on or before 30 April 2012, the taxpayer files with the Minister of Revenue a return containing the following information:

(1) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *c* or *e* of the first paragraph of section 1029.7 or 1029.8 of the Act, as the case may be,

(a) the name of the individual with whom the taxpayer or the partnership of which the taxpayer is a member has entered into the contract or particular contract, as the case may be, referred to in that subparagraph and that individual's date of birth,

(b) the total amount of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph in respect of the scientific research and experimental development or the work relating to that scientific research and experimental development, as the case may be, referred to in that section, and

(c) the amount of the portion of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, in respect of the scientific research and experimental development or the work relating to that scientific research and experimental development, as the case may be, referred to in that section;

(2) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *g* of the first paragraph of section 1029.7 or 1029.8 of the Act, as the case may be,

(a) the name of the individual with whom the person or partnership with whom a contract has been entered into by the taxpayer or the partnership of which the taxpayer is a member has entered into the particular contract referred to in that subparagraph and that individual's date of birth,

(b) the total amount of the consideration provided for in the particular contract referred to in that subparagraph that is required to be paid to the individual and that relates to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken on behalf of the taxpayer or the partnership of which the taxpayer is a member under the contract referred to

in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph, and

(c) the amount of the portion of the consideration provided for in the particular contract referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, to the individual and that relates to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken on behalf of the taxpayer or the partnership of which the taxpayer is a member under the contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph; and

(3) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *i* of the first paragraph of section 1029.7 or 1029.8 of the Act, as the case may be,

(a) the name of the individual with whom the person or partnership with whom a particular contract has been entered into by the taxpayer or the partnership of which the taxpayer is a member has entered into the other particular contract referred to in that subparagraph and that individual's date of birth,

(b) the total amount of the consideration provided for in the other particular contract referred to in that subparagraph that is required to be paid to the other person or partnership and that relates to the work relating to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken under the particular contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph, and

(c) the amount of the portion of the consideration provided for in the other particular contract referred to in that subparagraph that is paid in the year or, where the taxpayer is a member of a partnership, in the fiscal period of the partnership ending in the year, to the other person or partnership and that relates to the work relating to the scientific research and experimental development referred to in that section that the taxpayer or the partnership of which the taxpayer is a member causes to be undertaken under the particular contract referred to in that subparagraph that the taxpayer or the partnership of which the taxpayer is a member has entered into with the person or partnership referred to in that subparagraph.

**186.** (1) Section 1029.8.5.1 of the Act is amended by replacing paragraph *f* by the following paragraph:

“(f) an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**187.** (1) Section 1029.8.9.0.2.2 of the Act is amended by replacing paragraph *f* by the following paragraph:

“(f) an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**188.** (1) Section 1029.8.15.1 of the Act is amended by replacing paragraph *f* by the following paragraph:

“(f) an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**189.** (1) Section 1029.8.16.1.6 of the Act is amended by replacing paragraph *f* by the following paragraph:

“(f) an expenditure related to scientific research and experimental development in respect of which an amount is deductible under sections 710 to 716.0.11 or 752.0.10.1 to 752.0.10.26 in computing taxable income or tax payable under this Part, as the case may be;”.

(2) Subsection 1 has effect from 22 March 2011.

**190.** (1) Section 1029.8.35 of the Act is amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“1029.8.35.** A corporation that encloses with the fiscal return it is required to file for a taxation year under section 1000 the prescribed form containing prescribed information, a copy of the favourable advance ruling given or certificate issued by the Société de développement des entreprises culturelles in respect of a property that is a Québec film production and a copy of the qualification certificate referred to in paragraph *a.3* of the definition of “qualified corporation” in the first paragraph of section 1029.8.34, if applicable, is deemed, subject to the second paragraph and sections 1029.8.35.1 and 1029.8.35.3, where the application for an advance ruling has been filed or, in

the absence of such an application, where the application for a certificate has been filed in respect of the property with the Société de développement des entreprises culturelles before the end of the year, to have paid to the Minister on the corporation's balance-due day for the year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of”.

(2) Subsection 1 has effect from 22 December 2010.

**191.** (1) Section 1029.8.35.0.1 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**192.** (1) Section 1029.8.36.0.0.3 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**193.** Section 1029.8.36.0.0.4 of the Act is amended by replacing the definitions of “qualified low-budget production” and “qualified production” in the first paragraph by the following definitions:

““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 approval certificate it issues to a corporation in respect of the production, that the production is recognized as a qualified low-budget production for the purposes of this division;

““qualified production” for a taxation year means a property that is a production, other than a qualified low-budget production or an excluded production, in respect of which the Société de développement des entreprises culturelles certifies, on the approval certificate it issues to a corporation in respect of the production, that the production is recognized as a qualified production for the purposes of this division;”.

**194.** (1) Section 1029.8.36.0.0.6 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**195.** (1) Section 1029.8.36.0.0.9 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**196.** (1) Section 1029.8.36.0.0.12 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**197.** (1) Section 1029.8.36.0.0.14 of the Act is amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“1029.8.36.0.0.14.** A corporation that encloses with the fiscal return it is required to file for a taxation year under section 1000 the prescribed form containing prescribed information and a copy of the favourable advance ruling given or certificate issued by the Société de développement des entreprises culturelles, in respect of a property that is an eligible work or an eligible group of works, is deemed, subject to the second paragraph, if the application for an advance ruling has been filed or, in the absence of such an application, an application for a certificate has been filed in respect of the property with the Société de développement des entreprises culturelles before the end of the year, to have paid to the Minister on the corporation’s balance-due day for the year, on account of its tax payable for that year under this Part, an amount equal to”.

(2) Subsection 1 has effect from 22 December 2010.

**198.** (1) Section 1029.8.36.0.0.15 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**199.** (1) Section 1029.8.36.0.3.10 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**200.** (1) Section 1029.8.36.0.3.20 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**201.** (1) Section 1029.8.36.0.3.56 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**202.** (1) Section 1029.8.36.0.3.75 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**203.** (1) Section 1029.8.36.0.3.80 of the Act is amended

(1) by replacing the seventh and eighth paragraphs by the following paragraphs:

“A corporation makes the election referred to in the fourth paragraph, in respect of a particular taxation year, by filing with the Minister the prescribed form containing prescribed information on or before the day that is 12 months after the corporation’s filing-due date for the particular year.

The corporations that are members of a group of associated corporations for a particular taxation year make the election referred to in the fifth paragraph for the particular year by filing with the Minister the prescribed form containing prescribed information on or before the day that is 12 months after the earliest of the filing-due dates of the members of the group for the particular year.”;

(2) by adding the following paragraphs after the eighth paragraph:

“The 12-month time limit provided for in the seventh and eighth paragraphs, in relation to a taxation year, is extended by operation of law if

(a) after the fifteenth day preceding the expiry of that time limit, the corporation referred to in the first paragraph obtained a qualification certificate that the corporation is required to file with the Minister, in respect of the taxation year, in accordance with the first paragraph; and

(b) the application for the qualification certificate was filed with Investissement Québec before the expiry of the ninth month following the corporation’s filing-due date for the taxation year.

A corporation is deemed to have filed with the Minister the prescribed form containing prescribed information, referred to in the seventh or eighth paragraph, as the case may be, within the time limit provided for in that paragraph, in respect of a taxation year where, in accordance with the third paragraph of section 1029.6.0.1.2, it is deemed to have filed with the Minister a copy of the qualification certificate referred to in the first paragraph and the documents referred to in the third paragraph on or before the day that is 12 months after the corporation’s filing-due date for the taxation year so as to be deemed to have paid an amount to the Minister for the year under this section.”

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

**204.** (1) Section 1029.8.36.0.3.81 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**205.** (1) Section 1029.8.36.0.19 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) a copy of the certificate issued by Investissement Québec to the corporation for the year in respect of the eligible employee for the purposes of this division.”

(2) Subsection 1 has effect from 22 December 2010.

**206.** (1) Section 1029.8.36.0.20 of the Act is amended by striking out “unrevoked” in subparagraph *b* of the second paragraph.

(2) Subsection 1 has effect from 22 December 2010.

**207.** (1) Section 1029.8.36.0.22 of the Act is amended by replacing subparagraphs *a.1* to *c* of the third paragraph by the following subparagraphs:



“(a.1) a copy of the certificate referred to in paragraph *c* of the definition of “specified corporation” in the first paragraph of section 1029.8.36.0.17 issued to the corporation for the year by Investissement Québec for the purposes of this division;

“(b) a copy of the certificate issued to the corporation for the year by Investissement Québec for the purposes of this division in respect of a specified activity, in relation to the designated site, on which the specified employee spends all or part of the employee’s working time; and

“(c) a copy of the certificate issued to the corporation for the year by Investissement Québec in respect of the specified employee for the purposes of this division.”

(2) Subsection 1 has effect from 22 December 2010.

**208.** (1) Section 1029.8.36.0.25 of the Act is amended by striking out “unrevoked” in subparagraph *b* of the first paragraph and in subparagraphs *i* and *ii* of subparagraph *c* of that paragraph.

(2) Subsection 1 has effect from 22 December 2010.

**209.** (1) Section 1029.8.36.0.25.1 of the Act is amended, in the first paragraph,

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

“(b) a copy of the certificate issued to the person by Investissement Québec in respect of the eligible facility for the purposes of this division;”;

(2) by replacing subparagraphs *i* and *ii* of subparagraph *d* by the following subparagraphs:

“i. a copy of the certificate referred to in paragraph *c* of the definition of “specified corporation” in the first paragraph of section 1029.8.36.0.17 that Investissement Québec issued to the corporation for the year and for the purposes of this division, and

“ii. a copy of the certificate that Investissement Québec issued to the corporation for the year and for the purposes of this division in respect of a specified activity, in relation to the biotechnology development centre, that is an activity for the carrying out of which the corporation rented the eligible facility.”

(2) Subsection 1 has effect from 22 December 2010.

**210.** (1) Section 1029.8.36.0.26 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**211.** (1) Section 1029.8.36.0.48 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**212.** (1) Section 1029.8.36.0.65 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**213.** (1) Section 1029.8.36.0.76 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**214.** (1) Section 1029.8.36.0.93 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**215.** (1) Section 1029.8.36.16 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**216.** (1) Section 1029.8.36.53.14 of the Act is repealed.

(2) Subsection 1 has effect from 22 December 2010.

**217.** (1) Section 1029.8.36.53.25 of the Act is amended

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

“(*b*) if the vehicle is powered wholly or partly by gasoline and its weighted fuel consumption rating is less than 3 litres, or is powered wholly or partly by diesel fuel and its weighted fuel consumption rating is less than 2.58 litres,

i. \$3,000, if the vehicle is acquired before 18 March 2011, or

ii. \$7,769, if the vehicle is acquired after 17 March 2011 and it is not a rechargeable hybrid vehicle;”;

(2) by striking out “and before 1 January 2012” in the portion of paragraph *b.1* before subparagraph *i*.

(2) Subsection 1 has effect from 18 March 2011.

**218.** (1) Section 1029.8.36.56 of the Act is amended

(1) by striking out subparagraph *a* of the first paragraph;

(2) by striking out the second paragraph.

(2) Subsection 1 has effect from 22 December 2010.

**219.** (1) Section 1029.8.36.59.13 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) a copy of the certificate issued to the corporation in relation to the eligible access road or bridge.”

(2) Subsection 1 has effect from 22 December 2010.

**220.** (1) Section 1029.8.36.59.14 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) a copy of the certificate issued to the partnership in relation to the eligible access road or bridge.”

(2) Subsection 1 has effect from 22 December 2010.

**221.** (1) Section 1029.8.36.72.82.2 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees.”

(2) Subsection 1 has effect from 22 December 2010.

**222.** (1) Section 1029.8.36.72.82.3 of the Act is amended by replacing subparagraph *b* of the fourth paragraph by the following subparagraph:

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees; and”.

(2) Subsection 1 has effect from 22 December 2010.

**223.** (1) Section 1029.8.36.72.82.3.2 of the Act is amended

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

“(a) the amount by which the particular amount that is the lesser of the amount determined under this division for the taxation year preceding the particular taxation year and the amount determined under the first 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”;

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

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees.”

(2) Paragraph 1 of subsection 1 applies to a taxation year that ends after 30 December 2010. In addition, when section 1029.8.36.72.82.3.2 of the Act has effect after 31 December 2007 in respect of a taxation year that ends before 31 December 2010, it is to be read as if subparagraph *a* of the second paragraph was replaced by the following subparagraph:

“(a) the amount by which the particular amount that is the lesser of the amount determined under this division for the taxation year preceding the particular taxation year and the amount determined under the first 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”.

(3) Paragraph 2 of subsection 1 has effect from 22 December 2010.

**224.** (1) Section 1029.8.36.72.82.3.3 of the Act is amended

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

“(a) the amount by which the particular amount that is the lesser of the amount determined under this division for the taxation year preceding the particular taxation year and the amount determined under the first 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”;

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

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees; and”.

(2) Paragraph 1 of subsection 1 applies to a taxation year that ends after 30 December 2010. In addition, when section 1029.8.36.72.82.3.3 of the Act has effect after 31 December 2007 in respect of a taxation year that ends before 31 December 2010, it is to be read as if subparagraph *a* of the third paragraph was replaced by the following subparagraph:

“(a) the amount by which the particular amount that is the lesser of the amount determined under this division for the taxation year preceding the particular taxation year and the amount determined under the first 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”.

(3) Paragraph 2 of subsection 1 has effect from 22 December 2010.

**225.** (1) Section 1029.8.36.72.82.13 of the Act is amended

(1) 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 paragraph, the given calendar year that precedes the first calendar year covered by the first unrevoked qualification certificate issued to the corporation for the purposes of this division, or, where an unrevoked qualification certificate has been obtained by the corporation for the purposes of Division II.6.6.4 or II.6.6.6.1, in relation to a recognized business described in paragraph *a* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, the earliest of the following calendar years that is before the given calendar year:

(a) the calendar year that precedes the first calendar year covered by the first unrevoked qualification certificate issued to the corporation for the purposes of Division II.6.6.4 or II.6.6.6.1, in relation to a recognized business described in any of paragraphs *a*, *b*, *c* and *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 or in paragraph *a.1* or *e* of that definition, enacted by subparagraphs i and ii of paragraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, respectively;

(b) where the corporation has made the election provided for in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.1 and it has also elected, by filing with the Minister the prescribed form containing prescribed information on or before the corporation’s filing-due date for the taxation year in which the calendar year 2010 ends, that the base period be determined by reference to this paragraph, the calendar year that precedes the calendar year in respect of which the election provided for in section 1029.8.36.72.82.3.1 was first made by the corporation; and

(c) where the corporation has made the election provided for in section 1029.8.36.72.82.3.1.1, the calendar year 2010;”;

(2) by inserting the following paragraph after the third paragraph:

“Where a corporation that carries on a recognized business for the purposes of this division has had Investissement Québec revoke a qualification certificate it was issued in relation to the calendar year 2000 or 2001, in respect of another recognized business the corporation was carrying on for the purposes of Division II.6.6.4, in this paragraph referred to as the “initial qualification certificate”, the corporation may elect, for the purpose of determining the

amount it is deemed to have paid to the Minister for the purposes of this division for the taxation year in which ends a calendar year in respect of which it is issued a new qualification certificate by Investissement Québec, in relation to that other recognized business, to have its base period be the base period that would have been determined if the initial qualification certificate had not been so revoked.”

(2) Subsection 1 applies to a taxation year that ends after 30 December 2010. However, when it applies to a taxation year that ends before 31 December 2011, the definition of “base period” in the first paragraph of section 1029.8.36.72.82.13 of the Act is to be read without reference to its paragraph *c*.

(3) For the purposes of paragraph *b* of the definition of “base period” in the first paragraph of section 1029.8.36.72.82.13 of the Act, a corporation that elects that its base period be determined by reference to that paragraph *b* by filing with the Minister of Revenue the prescribed form containing prescribed information before 9 May 2012 is deemed to have made that election on or before its filing-due date for the taxation year in which the calendar year 2010 ends.

**226.** (1) Section 1029.8.36.72.82.14 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees.”

(2) Subsection 1 has effect from 22 December 2010.

**227.** (1) Section 1029.8.36.72.82.15 of the Act is amended by replacing subparagraph *b* of the fourth paragraph by the following subparagraph:

“(b) a copy of all certificates and qualification certificates issued to the qualified corporation for the year in respect of a recognized business and its eligible employees; and”.

(2) Subsection 1 has effect from 22 December 2010.

**228.** Divisions II.6.8, II.6.9, II.6.13 and II.6.14.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.36.89 to 1029.8.36.93, 1029.8.36.95 to 1029.8.36.99, 1029.8.36.147 to 1029.8.36.155 and 1029.8.36.166.1 to 1029.8.36.166.39, respectively, are repealed.

**229.** (1) Section 1029.8.36.166.40 of the Act is amended, in the first paragraph,

(1) by replacing the portion of the definition of “qualified property” before paragraph *a* by the following:

““qualified property” of a corporation or partnership means a property that is acquired by the corporation or partnership, that, but for section 93.6, would be included in Class 29 or 43 of Schedule B to the Regulation respecting the Taxation Act (R.R.Q., chapter I-3, r. 1) and that”;

(2) by replacing subparagraphs ii and iii of paragraph *a* of the definition of “eligible expenses” by the following subparagraphs:

“ii. the amount by which the expenses incurred by the corporation in the particular taxation year, or in a preceding taxation year for which the corporation was a qualified corporation, to acquire the qualified property that are included, at the end of the particular year or of the preceding year, as the case may be, in the capital cost of the property and that are paid after the end of the particular year or of the preceding year, as the case may be, but not later than 18 months after the end of that year, 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 third paragraph, and

“iii. 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 corporation’s taxation year in which they were incurred and for which the corporation was a qualified corporation; and”;

(3) by replacing subparagraphs ii and iii of paragraph *b* of the definition of “eligible expenses” by the following subparagraphs:

“ii. the amount by which the expenses incurred by the partnership in the particular fiscal period, or in a preceding fiscal period for which the partnership was a qualified partnership, to acquire the qualified property that are included, at the end of the particular fiscal period or of the preceding fiscal period, as the case may be, in the capital cost of the property and that are paid after the end of the particular fiscal period or of the preceding fiscal period, as the case may be, but not later than 18 months after the end of that fiscal period, 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 third and sixth paragraphs and if, where the corporation was not a qualified corporation for the preceding taxation year, the corporation had been a qualified corporation for the preceding taxation year, and

“iii. 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 partnership's fiscal period in which they were incurred and for which the partnership was a qualified partnership;"

(2) Subsection 1 has effect from 14 March 2008. However, when section 1029.8.36.166.40 of the Act applies in respect of expenses incurred before 29 October 2009, the definition of "eligible expenses" in the first paragraph of that section is to be read

(1) as if "third paragraph" in subparagraph ii of paragraph *a* was replaced by "second paragraph"; and

(2) as if "third and sixth paragraphs" in subparagraph ii of paragraph *b* was replaced by "second and fifth paragraphs".

**230.** (1) Section 1029.8.36.166.43 of the Act is amended

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

"(a) if the paid-up capital attributed to the qualified corporation for the year, determined in accordance with section 737.18.24, is less than \$500,000,000, the product obtained by multiplying the aggregate of all amounts each of which is the portion of its eligible expenses for the year, in respect of the property, to the extent that that aggregate does not include the portion, determined by the corporation, of the eligible expenses incurred by the corporation in the year as a party to a joint venture that exceeds the corporation's share for the taxation year of the balance of the joint venture's cumulative eligible expense limit, by the rate determined in relation to the portion of those expenses in respect of the property for the year under section 1029.8.36.166.45; or

"(b) the product obtained by multiplying by 5% the amount by which its eligible expenses for the year, in respect of the property, exceeds the portion of those expenses that is referred to in subparagraph *a*.";

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

"The aggregate of the amounts referred to in subparagraph *a* of the first paragraph and determined in respect of a corporation for a taxation year may not exceed the amount by which the balance of its cumulative eligible expense limit for the year exceeds the aggregate of the amounts referred to in subparagraph *a* of the first paragraph of section 1029.8.36.166.44 for the year in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.44 or would be so deemed to have paid such an amount but for the third paragraph of that section."

(2) Subsection 1 applies in respect of expenses incurred after 28 October 2009.

**231.** (1) Section 1029.8.36.166.44 of the Act is amended



(1) by replacing “sixth paragraph” in the portion of the first paragraph before subparagraph *a* by “seventh paragraph”;

(2) by replacing subparagraphs *a* and *b* of the first paragraph by the following subparagraphs:

“(a) if the paid-up capital attributed to the qualified corporation for the year, determined in accordance with section 737.18.24, is less than \$500,000,000, the product obtained by multiplying the aggregate of all amounts each of which is its share of the portion of the partnership’s eligible expenses for the particular fiscal period, in respect of the property, to the extent that that aggregate does not include its share of the portion, determined by the qualified corporation, of the qualified partnership’s eligible expenses for the particular fiscal period that exceeds the balance of the partnership’s cumulative eligible expense limit for the particular fiscal period, or its share of the portion, determined by the qualified corporation, of such expenses incurred by the partnership in the particular fiscal period as a party to a joint venture that exceeds the partnership’s share for the particular fiscal period of the balance of the joint venture’s cumulative eligible expense limit, by the rate determined in relation to the portion of those expenses in respect of the property for the year under section 1029.8.36.166.45; or

“(b) the product obtained by multiplying by 5% the amount by which its share of the partnership’s eligible expenses for the particular fiscal period, in respect of the property, exceeds its share of the portion of those expenses that is referred to in subparagraph *a*.”;

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

“The aggregate of the amounts referred to in subparagraph *a* of the first paragraph and determined in respect of a corporation for a taxation year may not exceed the amount by which the balance of the corporation’s cumulative eligible expense limit for the year exceeds the aggregate of the amounts referred to in subparagraph *a* of the first paragraph of section 1029.8.36.166.43 for the year in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.43 or would be so deemed to have paid such an amount but for the third paragraph of that section.”;

(4) by inserting the following paragraph after the fifth paragraph:

“Despite the definition of “eligible expenses” in the first paragraph of section 1029.8.36.166.40 and for the purpose of applying this section to a corporation referred to in the first paragraph, the eligible expenses for a particular fiscal period, in respect of a qualified property, of a partnership of which the corporation is a member, or the portion of such eligible expenses referred to in subparagraph *a* of the first paragraph, do not include

(a) the expenses that would otherwise be such eligible expenses because of subparagraph ii of paragraph *b* of the definition of “eligible expenses” in the first paragraph of section 1029.8.36.166.40 and that are incurred in a fiscal

period of the partnership that precedes the particular fiscal period and ends in a taxation year for which the corporation was not a qualified corporation; or

(b) the expenses that would otherwise be such eligible expenses because of subparagraph iii of paragraph *b* of the definition of “eligible expenses” in the first paragraph of section 1029.8.36.166.40 and that are incurred in a fiscal period of the partnership that ends in a taxation year for which the corporation was not a qualified corporation.”

(2) Paragraphs 1 to 3 of subsection 1 apply in respect of expenses incurred after 28 October 2009.

(3) Paragraph 4 of subsection 1 has effect from 14 March 2008. However, when the sixth paragraph of section 1029.8.36.166.44 of the Act applies in respect of expenses incurred before 29 October 2009, the portion of that paragraph before subparagraph *a* is to be read as if “or the portion of such eligible expenses referred to in subparagraph *a* of the first paragraph,” was struck out.

**232.** (1) Section 1029.8.61.9 of the Act is replaced by the following section:

“**1029.8.61.9.** For the purposes of the definition of “cohabiting spouse” in section 1029.8.61.8, the following rules must be taken into consideration:

(a) a person shall not be considered to be living separate and apart from an individual at any time unless the person was living separate and apart from the individual at that time, because of a breakdown of their marriage, for a period of at least 90 days that includes that time;

(b) where an individual would, but for this paragraph, have more than one cohabiting spouse at any time, the individual is deemed, at that time, to have only one cohabiting spouse and to be the cohabiting spouse of that person only; and

(c) where a person would, but for this paragraph, be the cohabiting spouse of more than one individual at any time, the Board may designate which of the individuals is deemed to have that person as sole cohabiting spouse at that time and that person is deemed to be the cohabiting spouse at that time solely of the individual so designated.”

(2) Subsection 1 applies from 1 July 2012.

**233.** (1) Section 1029.8.80.2 of the Act is amended

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

“**1029.8.80.2.** Where, on or before 15 October of a taxation year, an individual applies to the Minister in the prescribed form containing prescribed

information, the Minister may pay in advance, according to the terms and conditions provided for in the second paragraph and in respect of 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 section 1029.8.79, an amount (in this subdivision referred to as the "amount of the advance relating to child care expenses") equal to the amount obtained by applying to the aggregate of the qualified child care expenses that the individual considers the individual is required to pay for the year the appropriate percentage determined in section 1029.8.80.3 in respect of the individual for the year, if";

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

"(b) if the Minister receives from the individual the application referred to in the first paragraph after 1 December of the preceding year and not later than 15 October of the year, the amount of the advance relating to child care expenses is payable in equal advance payments made on or before the fifteenth day of each month of the year that is subsequent to the particular month in which the application is received, if the application is received on the first day of that month, or, in any other case, that is subsequent to the month that follows the particular month;"

(2) Subsection 1 applies in respect of an application made for a taxation year subsequent to the taxation year 2011.

**234.** (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 15 October of a taxation year, an individual applies to the Minister, in the prescribed form containing prescribed information referred to in the first paragraph of section 1029.8.116.5 or 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 subdivision 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 second paragraph by the following subparagraph:

"(b) if the Minister receives from the individual the application referred to in the first paragraph after 1 December of the preceding year and not later than 15 October of the year, the amount of the advance relating to the work premium is payable in equal advance payments made on or before the fifteenth day of

each month of the year that is subsequent to the particular month in which the application is received, if the application is received on the first day of that month, or, in any other case, that is subsequent to the month that follows the particular month;”.

(2) Subsection 1 applies in respect of an application made for a taxation year subsequent to the taxation year 2011.

**235.** (1) Section 1029.8.116.12 of the Act is amended by replacing the definition of “family income” in the first paragraph by the following definition:

““family income” of an individual for the base year relating to a particular month means, subject to the third paragraph of section 1029.8.116.15, the aggregate of the income of the individual for the base year and the income, for that year, of the individual’s cohabiting spouse at the beginning of the particular month;”.

(2) Subsection 1 applies from the taxation year 2011.

**236.** (1) Section 1029.8.116.13 of the Act is replaced by the following section:

“**1029.8.116.13.** For the purposes of the definition of “cohabiting spouse” in the first paragraph of section 1029.8.116.12, the following rules must be taken into consideration:

(a) a person shall not be considered to be living separate and apart from an individual at any time unless the person was living separate and apart from the individual at that time, because of a breakdown of their marriage, for a period of at least 90 days that includes that time;

(b) where an individual would, but for this paragraph, have more than one cohabiting spouse at any time, the individual is deemed, at that time, to have only one cohabiting spouse and to be the cohabiting spouse of that person only; and

(c) where a person would, but for this paragraph, be the cohabiting spouse of more than one individual at any time, the Minister may designate which of the individuals is deemed to have that person as sole cohabiting spouse at that time and that person is deemed to be the cohabiting spouse at that time solely of the individual so designated.”

(2) Subsection 1 applies from 1 July 2012.

**237.** (1) Section 1029.8.116.15 of the Act is amended

(1) by striking out subparagraph *d* of the first paragraph;

(2) by striking out “but subject to subparagraph *d* of that paragraph” in the second paragraph;

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

“However, an individual’s family income for the base year relating to a particular month is deemed to be equal to zero if, for the particular month, the individual or the individual’s cohabiting spouse is a recipient under a financial assistance program provided for in Chapter I or II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1).”

(2) Subsection 1 applies from the taxation year 2011.

**238.** Section 1029.8.116.35 of the Act is amended by replacing the second paragraph by the following paragraph:

“Any contestation in respect of the accuracy of information that is communicated to the Minister by the Minister of Employment and Social Solidarity in relation to an individual’s eligibility to a financial assistance program provided for in Chapter I or II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1) and that is used by the Minister for the purposes of this division, must be brought in accordance with Chapter III of Title III of that Act.”

**239.** (1) Section 1029.8.136 of the Act is amended by replacing subparagraph ii of subparagraph *a* of the second paragraph by the following subparagraph:

“ii. was, immediately before the transfer, the brother or sister of a beneficiary under the transferor plan and

(1) the transferee plan is a plan that allows more than one beneficiary at any one time, or

(2) where subparagraph 1 does not apply, the beneficiary under the transferee plan had not attained 21 years of age at the time the plan was entered into;”.

(2) Subsection 1 applies in respect of a property transferred after 31 December 2010.

**240.** (1) Section 1033.3 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the amount of tax that would be payable for the year by an inter vivos trust resident in Québec on the last day of the year the taxable income of which for the year is \$50,000, if that tax were equal to the amount obtained by multiplying that taxable income by the rate specified in paragraph *c* of section 750; and”.

(2) Subsection 1 applies in respect of a disposition or distribution that occurs after 18 April 2012.

**241.** (1) Section 1079.1 of the Act is amended, in the first paragraph,

(1) by striking out “, determined under section 851.41.1,” in paragraph *b* of the definition of “gifting arrangement”;

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

““limited-recourse debt” in respect of a gift or a contribution described in the first paragraph of section 776 of a taxpayer, at the time the gift or contribution is made, means an amount equal to the aggregate of

(a) each limited-recourse amount at that time, determined under Title VIII of Book VI, of the taxpayer and of any other taxpayer not dealing at arm’s length with the taxpayer, that can reasonably be considered to relate to the gift or contribution;

(b) each limited-recourse amount at that time, determined under Title VIII of Book VI when that Title VIII is applied to any other taxpayer dealing at arm’s length with and holds, directly or indirectly, an interest in the taxpayer, that can reasonably be considered to relate to the gift or contribution; and

(c) each amount that is the unpaid amount at that time of any other indebtedness, of any taxpayer referred to in paragraph *a* or *b*, that can reasonably be considered to relate to the gift or contribution if there is a guarantee, security or similar covenant in respect of that or any other indebtedness.”

(2) Subsection 1 applies in respect of a gift made after 6 p.m. Eastern Standard Time, 5 December 2003.

**242.** (1) The Act is amended by inserting the following section after section 1129.0.0.4.1:

**“1129.0.0.4.2.** If, at any time in a taxation year, a certificate, qualification certificate or other similar document is revoked or replaced and, as a result, a person is required to pay a tax under a provision of any of Parts III.1 to III.1.7 and III.10.1.1.1 to III.10.9.1, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the person, in relation to the tax.

For the purposes of section 1037 in respect of the tax, the person’s balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.

Sections 1000 to 1000.3 and 1002 to 1004 do not apply in relation to a tax that may be the subject of an assessment made under the first paragraph, despite any provision to the contrary in the Part under which the tax is payable.”

(2) Subsection 1 has effect from 22 December 2010.

**243.** Section 1129.0.0.6 of the Act is replaced by the following section:

**“1129.0.0.6.** In every provision of Parts III.0.1, III.0.3, III.1.0.6, III.1.1, III.1.1.1, III.7.1, III.8, III.10.1.1, III.10.1.1.2, III.10.2 to III.10.9.1 and III.12.1, a reference to any of the repealed divisions of Chapter III.1 of Title III of Book IX of Part I, or to any section of those divisions, is a reference to that division or to that section, as the case may be, as it read for the taxation year concerned.”

**244.** (1) Section 1129.27.0.2.1 of the Act is replaced by the following section:

**“1129.27.0.2.1.** The Fund shall pay, for a particular taxation year beginning after 31 May 2009 and ending on or before the last day of its taxation year in which the paid-up capital in respect of the shares of its capital stock first reaches 1.25 billion dollars, a tax equal to 25% of the amount by which the aggregate of all amounts each of which is an amount paid during that particular year for the purchase of a share as first purchaser exceeds the amount determined for that particular year under the second paragraph.

The amount referred to in the first paragraph is,

(a) where the particular taxation year ends on 31 May 2010, \$150,000,000;  
or

(b) in any other case, the aggregate of

i. \$150,000,000, and

ii. the amount by which the amount determined under this paragraph for the taxation year that precedes the particular taxation year exceeds the aggregate of all amounts each of which is an amount paid during that preceding taxation year for the purchase of a share as first purchaser.

For the purposes of this section, an amount paid for the purchase of a share includes only the issue price paid in respect of the share.”

(2) Subsection 1 has effect from 1 June 2010.

**245.** (1) The Act is amended by inserting the following section after section 1130.1:

**“1130.2.** In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.”

(2) Subsection 1 has effect from 22 December 2010.

**246.** (1) Section 1137.1 of the Act is replaced by the following section:

“**1137.1.** For the purposes of paragraphs *b.2* and *b.2.1* of section 1137, an amount is deemed to be paid by a corporation at a particular time as a repayment of assistance where that amount

(a) reduced, because of subparagraph *i* of paragraph *b.2* of section 1137 or subparagraph *i* of paragraph *b.2.1* of that section, the amount deductible by a corporation in computing its paid-up capital for a taxation year;

(b) was not received by the corporation; and

(c) ceased at that particular time to be an amount that the corporation may reasonably expect to receive.”

(2) Subsection 1 has effect from 22 December 2010.

**247.** (1) Section 1138 of the Act is amended by replacing subsection 3.1 by the following subsection:

“(3.1) For the purposes of subsection 3, a corporation may deduct, in computing the amount of its assets, an amount shown in its financial statements resulting from a transaction between a partnership or a joint venture and its members, except to the extent that the transaction increased the amount of the



corporation's interest in the partnership or joint venture, shown as an asset in its financial statements.”

(2) Subsection 1 applies to a taxation year that ends after 24 May 2007. It also applies, if a corporation filed an application for adjustment with the Minister of Revenue to have paragraph 2 of subsection 1 of section 557 of chapter 5 of the statutes of 2009 apply, to a taxation year of the corporation described in subsection 3 for which the Minister of Revenue could, on receiving the application for adjustment and under section 1010 of the Act, determine or redetermine the tax on capital payable and make an assessment or reassessment or determine an additional assessment.

(3) A taxation year to which subsection 2 refers is a taxation year of the corporation in relation to which

(1) the time limits provided for in subsection 2 of section 1010 of the Act had not expired on 21 April 2005;

(2) a notice of objection has been notified to the Minister of Revenue before 21 April 2005 or an appeal has been filed, before that date, against an assessment, if one of the subjects of the contestation pertains to the deductibility, in computing the corporation's assets, of an amount shown in its financial statements considering that it results from a transaction between the corporation and a partnership or a joint venture of which it is a member; or

(3) the corporation has filed with the Minister of Revenue a waiver in the prescribed form in accordance with subparagraph ii of paragraph *b* of subsection 2 of section 1010 of the Act before 21 April 2005, if the waiver is in force on that date and one of its subjects pertains to the deductibility, in computing the corporation's assets, of an amount shown in its financial statements considering that it results from a transaction between the corporation and a partnership or a joint venture of which it is a member.

(4) Where a corporation files an application for adjustment with the Minister of Revenue to have subsection 1 apply, the Minister of Revenue shall, despite section 1010 of the Act, determine or redetermine the tax on capital payable and make an assessment or reassessment or determine an additional assessment to give effect to that subsection 1. Sections 93.1.8 and 93.1.12 of the Tax Administration Act (R.S.Q., chapter A-6.002) apply to such an assessment, with the necessary modifications.

**248.** (1) Section 1138.2.2 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) a copy of the initial qualification certificate issued to the corporation or partnership in relation to the major investment project, and of any annual qualification certificate for the taxation year of the corporation or the fiscal period of the partnership issued in relation to the major investment project;”.

(2) Subsection 1 has effect from 22 December 2010.

**249.** (1) Section 1141.8 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) a copy of the initial qualification certificate issued to the corporation or partnership in relation to the major investment project, and of any annual qualification certificate for the taxation year of the corporation or the fiscal period of the partnership issued in relation to the major investment project;”.

(2) Subsection 1 has effect from 22 December 2010.

**250.** (1) Section 1159.1 of the Act is amended by replacing paragraph *a* of the definition of “base wages” by the following paragraph:

“(a) any amount paid, allocated, granted or awarded by the person that is included under Chapters I and II of Title II of Book III of Part I, except the second paragraph of section 39.6 and section 58.0.1, as it read before being repealed, in computing the individual’s income from an office or employment or that would be included in computing that income if the individual were subject to tax under Part I; and”.

(2) Subsection 1 has effect from 1 January 2011.

**251.** (1) The heading of Book I of Part VI of the Act is replaced by the following heading:

“RULES OF INTERPRETATION”.

(2) Subsection 1 has effect from 22 December 2010.

**252.** (1) The Act is amended by inserting the following section after section 1166:

**“1166.1.** In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.”

(2) Subsection 1 has effect from 22 December 2010.

**253.** (1) Section 1170.2 of the Act is replaced by the following section:

**“1170.2.** An insurance corporation may deduct an amount under this Book in computing its tax payable for a 12-month period that ends in a taxation year, in accordance with section 1170.1, only if it encloses with the fiscal return it is required to file under section 1000 for the year the prescribed form containing prescribed information and a copy of the initial qualification certificate issued to it, in respect of a major investment project relating to a recognized business it carries on in the year, and of any annual qualification certificate issued for the year in respect of the major investment project.”

(2) Subsection 1 has effect from 22 December 2010.

**254.** (1) The Act is amended by inserting the following section after section 1175.3:

**“1175.3.1.** In this Part, where a Minister other than the Minister of Revenue or a body replaces or revokes a certificate, qualification certificate or other similar document that has been issued to a person or a partnership, the following rules apply in respect of the document, unless a more specific similar rule applies to it:

(a) the replaced document is null as of the date of its coming into force or of its deemed coming into force and the new document is deemed, unless it provides otherwise, to come into force as of that date and to have been issued at the time the replaced document was issued or is deemed to have been issued; and

(b) the revoked document is null as of the effective date of the revocation and is deemed not to have been issued, obtained or held as of that date.

Where a document is, without being replaced, amended by the revocation or replacement of any of its parts or in any other manner, the document before the amendment and the document as amended are deemed, for the purposes of

this section, to be separate documents the first of which (referred to as the “replaced document”) has been replaced by the second (referred to as the “new document”).

Where, in the circumstances described in the second paragraph, a document is amended only for a part of its period of validity, the new document is deemed to describe both the situation prevailing before the amendment, as proven by the content of the replaced document, and the new situation, as proven by the content of the new document.”

(2) Subsection 1 has effect from 22 December 2010.

**255.** (1) Section 1175.4.2 of the Act is amended by replacing the first paragraph by the following paragraph:

“**1175.4.2.** A life insurer may deduct an amount under this Part in computing its tax payable for a taxation year, in accordance with section 1175.4.1, only if it encloses with the fiscal return it is required to file under section 1000 for the year the prescribed form containing prescribed information and a copy of the initial qualification certificate issued to it, in respect of a major investment project relating to a recognized business it carries on in the year, and of any annual qualification certificate issued for the year in respect of the major investment project.”

(2) Subsection 1 has effect from 22 December 2010.

**256.** (1) The Act is amended by inserting the following section after section 1175.21.2:

“**1175.21.3.** If, at any time in a taxation year, a qualification certificate referred to in subparagraph *d* of the second paragraph of section 1137.5 is revoked and, as a result, a corporation is required to pay a tax under section 1175.21.0.1, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the corporation, in relation to the tax.

For the purposes of section 1037 in respect of the tax, the corporation’s balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.

Despite section 1175.22, sections 1000 to 1000.3 and 1002 to 1004 do not apply in relation to a tax that may be the subject of an assessment made under the first paragraph.”

(2) Subsection 1 has effect from 18 April 2012.

**257.** (1) The Act is amended by inserting the following section after section 1175.27.1:

**“1175.27.2.** If, at any time in a taxation year, a qualification certificate that was issued in relation to a major investment project is revoked and, as a result, a person is required to pay a tax under a provision of this Part, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the person, in relation to the tax.

For the purposes of section 1037 in respect of the tax, the person’s balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.”

(2) Subsection 1 has effect from 18 April 2012.

**258.** (1) Section 1175.28 of the Act is replaced by the following section:

**“1175.28.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1001, 1005 to 1024 and 1026.0.1, 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 18 April 2012.

**259.** (1) The Act is amended by inserting the following section after section 1175.28.17:

**“1175.28.17.1.** If, at any time in a taxation year, a favourable advance ruling, certificate, qualification certificate or other similar document is revoked or replaced and, as a result, a person is required to pay a tax under a provision of this Part, the Minister may make, as of that time and despite any other provision of this Act, an assessment for the year in respect of the person, in relation to the tax.

For the purposes of section 1037 in respect of the tax, the person’s balance-due day for that taxation year is deemed to be the date on which the notice of assessment is sent, unless that date is later than the balance-due day.”

(2) Subsection 1 has effect from 22 December 2010. However, when section 1175.28.17.1 of the Act applies before 18 April 2012, it is to be read

(1) as if “under a provision of this Part” in the first paragraph was replaced by “under section 1175.28.6 or 1175.28.9”; and

(2) as if the following paragraph was added after the second paragraph:

“Despite section 1175.28.18, sections 1000 to 1000.3 and 1002 to 1004 do not apply in relation to a tax that may be the subject of an assessment made under the first paragraph.”

**260.** (1) Section 1175.28.18 of the Act is replaced by the following section:

**“1175.28.18.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1001, 1005 to 1024 and 1026.0.1, 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 18 April 2012.

#### ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

**261.** (1) Section 37.9 of the Act respecting the Régie de l'assurance maladie du Québec (R.S.Q., chapter R-5) is amended by replacing “net remuneration” in paragraph *c.1* by “eligible remuneration”.

(2) Subsection 1 has effect from 1 January 2012.

#### ACT RESPECTING THE QUÉBEC PENSION PLAN

**262.** (1) Section 47 of the Act respecting the Québec Pension Plan (R.S.Q., chapter R-9) is amended

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

“The earnings of a worker as a family-type resource or an intermediate resource for a year are equal to the aggregate of all amounts each of which is the worker’s remuneration for the year for services provided as a person responsible for such a resource.”;

(2) by adding the following paragraphs:

“The remuneration of a worker for a year for services provided as a person responsible for a particular family-type resource or intermediate resource is equal to the amount by which the aggregate of all amounts each of which is an amount received by the particular resource in the year as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services (chapter S-4.2) applies, exceeds the total of

(a) the portion of that aggregate which, under a group agreement governing the payment of the remuneration or, in the absence of such an agreement, under a decision of the Minister of Health and Social Services made with the authorization of the Conseil du trésor under subparagraph 2 of the third paragraph of section 303 of that Act, is attributable to the total of

i. the amount of reasonable operating expenses incurred in the course of providing services of the particular resource, and

ii. the aggregate of the financial compensation referred to in subparagraphs *b* and *c* of paragraph 4 of section 34 of the Act respecting the representation of family-type resources and certain intermediate resources and the negotiation process for their group agreements (chapter R-24.0.2); and

(*b*) the portion of that aggregate that is the total of all amounts each of which is an expense described in section 47.0.1 for the year to allow the particular resource to receive assistance or be replaced in the course of providing services.

However, where more than one worker is a person responsible for a family-type resource or an intermediate resource in a year, the remuneration of each worker for the year for services provided as a person responsible for such a resource is equal to the product obtained by multiplying the amount determined for the year in respect of the resource under the fourth paragraph by the percentage representing the worker's share in the aggregate of the amounts received by the resource in the year as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies.”

(2) Subsection 1 has effect from 1 January 2012.

**263.** (1) The Act is amended by inserting the following section after section 47:

**“47.0.1.** An expense to which subparagraph *b* of the fourth paragraph of section 47 refers is an amount paid for a year by a family-type resource or an intermediate resource for the services of an individual acting as an assistant or replacement and corresponds to

(*a*) in the case of a service provided by an employee of the resource, the aggregate of

i. the employee's wages in respect of the service,

ii. each of the amounts paid in respect of the employee, in relation to the wages referred to in subparagraph i, under

(1) section 315 of the Act respecting industrial accidents and occupational diseases (chapter A-3.001),

(2) section 59 of the Act respecting parental insurance (chapter A-29.011),

(3) section 39.0.2 of the Act respecting labour standards (chapter N-1.1),

(4) section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5),

(5) section 52, or

(6) section 68 of the Employment Insurance Act (Statutes of Canada, 1996, chapter 23), and

iii. the fees paid for a payroll processing service for the payment of the wages referred to in subparagraph i; or

(b) in the case of a service provided by a person (other than a person who is an employee of the resource) or a partnership, the amount that is the cost of the service, including, if applicable, the tax payable under Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) or the tax payable under the Act respecting the Québec sales tax (chapter T-0.1) in respect of the service.”

(2) Subsection 1 has effect from 1 January 2012.

**264.** Section 59 of the Act is amended by replacing the third and fourth paragraphs by the following paragraphs:

“For the purposes of the regulations under this section, the Minister shall draw up Tables A and B determining the amount to be deducted from the remuneration paid to an employee during a particular period and shall post them on the Revenu Québec website.

The Minister shall publish in the *Gazette officielle du Québec* a notice of the date of coming into force of Tables A and B and the address of the website on which they are posted.”

#### ACT RESPECTING THE QUÉBEC SALES TAX

**265.** (1) Section 26 of the Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) is amended by replacing “sections 18 and 18.0.1” in the portion before paragraph 1 by “section 18.0.1”.

(2) Subsection 1 has effect from 1 July 1992.

**266.** (1) The Act is amended by inserting the following sections after section 26:

“**26.0.1.** For the purposes of this section and sections 26.0.2 to 26.0.5,

“incorporeal capital” of a specified person means any of the following that is consumed or used by the specified person in the process of creating or developing incorporeal movable property:

(1) all or part of a labour activity of the specified person;

(2) all or part of property (other than incorporeal movable property described in paragraph 1 of the definition of “incorporeal resource”); or



(3) all or part of a service;

“incorporeal resource” of a specified person means

(1) all or part of incorporeal movable property supplied to, or created or developed by, the specified person that is not support capital of the specified person;

(2) incorporeal capital of the specified person; or

(3) any combination of the items referred to in paragraphs 1 and 2;

“labour activity” of a specified person means anything done by an employee of the specified person in the course of, or in relation to, the office or employment of the employee;

“support capital” of a specified person means all or part of incorporeal movable property that is consumed or used by the specified person in the process of creating or developing property (other than incorporeal movable property) or in supporting, assisting or furthering a labour activity of the specified person;

“support resource” of a specified person means

(1) all or part of property (other than incorporeal movable property) supplied to, or created or developed by, the specified person that is not incorporeal capital of the specified person;

(2) all or part of a service supplied to the specified person that is not incorporeal capital of the specified person;

(3) all or part of a labour activity of the specified person that is not incorporeal capital of the specified person;

(4) support capital of the specified person; or

(5) any combination of the items referred to in paragraphs 1 to 4.

For the purposes of the first paragraph, “employee” includes an individual who agrees to become an employee.

**“26.0.2.** For the purposes of sections 26.0.1 and 26.0.3 to 26.0.5, the following rules apply:

(1) a person is a specified person throughout a taxation year of the person if the person

(a) carries on, at any time in the taxation year, a business through a permanent establishment of the person outside Canada, and

(b) carries on, at any time in the taxation year, a business through a permanent establishment of the person in Québec; and

(2) a business of a person is a specified business of the person throughout a taxation year of the person if the business is carried on, at any time in the taxation year, in Québec through a permanent establishment of the person.

**“26.0.3.** For the purposes of sections 26.0.4 and 26.0.5, internal use of a support resource, or of an incorporeal resource, of a specified person occurs during a taxation year of the specified person if

(1) the specified person at any time in the taxation year uses outside Canada any part of the resource in relation to the carrying on of a specified business of the specified person; or

(2) the specified person is permitted under the Taxation Act (chapter I-3), or would be so permitted if that Act applied to the specified person, to allocate for the taxation year, as an amount in respect of a specified business of the specified person,

(a) any part of an outlay made, or expense incurred, by the specified person in respect of any part of the resource, or

(b) any part of an allowance, or allocation for a reserve, in respect of any part of an outlay or expense referred to in subparagraph *a*.

**“26.0.4.** If internal use of a support resource of a specified person occurs during a taxation year of the specified person, the following rules apply:

(1) for the purposes of section 18,

(a) the specified person is deemed

i. to have rendered, during the taxation year, a service of internally using the support resource at a permanent establishment of the specified person outside Canada in the course of carrying on a specified business of the specified person, and to be the person to whom the service was rendered,

ii. to be the recipient of a supply made outside Canada of the service, and

iii. to be, in the case of a specified person not resident in Québec, resident in Québec,

(b) the supply is deemed not to be a supply of a service that is in respect of

i. an immovable situated outside Québec, or

ii. corporeal movable property that is situated outside Québec at the time the service is performed,

(c) the value of the consideration for the supply is deemed to be the total of all amounts, each of which is the fair market value of a part, or of the use of a part, as the case may be, of the support resource referred to in section 26.0.3

i. if the part is only referred to in paragraph 1 of section 26.0.3, at the time referred to in that paragraph, and

ii. in any other case, on the last day of the taxation year of the specified person, and

(d) the consideration for the supply is deemed to have become due and to have been paid, on the last day of the taxation year, by the specified person; and

(2) for the purpose of determining an input tax refund of the specified person, the specified person is deemed to have acquired the service for the same purpose as that for which the part of the support resource referred to in section 26.0.3 was acquired, consumed or used by the specified person.

**“26.0.5.** If internal use of an incorporeal resource of a specified person occurs during a taxation year of the specified person, the following rules apply:

(1) for the purposes of section 18,

(a) the specified person is deemed

i. to have made available, during the taxation year, at a permanent establishment of the specified person outside Canada incorporeal movable property in the course of carrying on a specified business of the specified person and to be the person to whom the incorporeal movable property was made available,

ii. to be the recipient of a supply made outside Canada of the incorporeal movable property, and

iii. to be, in the case of a specified person not resident in Québec, resident in Québec,

(b) the supply is deemed not to be a supply of property that relates to an immovable situated outside Québec, to a service to be performed wholly outside Québec or to corporeal movable property situated outside Québec,

(c) the value of the consideration for the supply is deemed to be the total of all amounts, each of which is the fair market value of a part, or of the use of a part, as the case may be, of the incorporeal resource referred to in section 26.0.3

i. if the part is only referred to in paragraph 1 of section 26.0.3, at the time referred to in that paragraph, and

ii. in any other case, on the last day of the taxation year of the specified person, and

(d) the consideration for the supply is deemed to have become due and to have been paid, on the last day of the taxation year, by the specified person; and

(2) for the purpose of determining an input tax refund of the specified person, the specified person is deemed to have acquired the property for the same purpose as that for which the part of the incorporeal resource referred to in section 26.0.3 was acquired, consumed or used by the specified person.”

(2) Subsection 1, except when it enacts the second paragraph of section 26.0.1 of the Act, has effect from 1 July 1992.

(3) Subsection 1, when it enacts the second paragraph of section 26.0.1 of the Act, applies in respect of

(1) a taxation year of a person that ends after 16 November 2005 where the person is referred to in paragraph 1 or 1.1 of the definition of “taxation year” in section 1 of the Act;

(2) a fiscal year of a person that ends after 16 November 2005 where the person, who is a registrant, is not referred to in paragraph 1 or 1.1 of the definition of “taxation year” in section 1 of the Act; or

(3) a calendar year subsequent to the year 2004, in any other case.

(4) For the purposes of paragraph 2 of subsection 3, “fiscal year” has the meaning assigned by section 458.1 of the Act.

**267.** (1) Section 26.1 of the Act is replaced by the following section:

“**26.1.** For the purposes of sections 25 to 26.0.5, “permanent establishment” has the meaning assigned by section 11.2 where a person is resident in Québec otherwise than by reason of section 12.”

(2) Subsection 1 has effect from 1 April 1997.

**268.** Section 180.2 of the Act is repealed.

**269.** Section 370.0.2 of the Act is amended

(1) by replacing the portion of the first paragraph before subparagraph 1 by the following:

**“370.0.2.** For the purposes of section 370.0.1, the rebate to which a particular individual is entitled in respect of the supply referred to in subparagraph 1 of the first paragraph of that section is equal to”;

(2) by replacing subparagraph 1 of the second paragraph in the French text by the following subparagraph:

“1° la lettre A représente le total de tous les montants dont chacun représente la contrepartie payable au constructeur par le particulier donné pour la fourniture par vente à ce dernier de la totalité ou d’une partie du bâtiment visée au paragraphe 1° du premier alinéa de l’article 370.0.1 ou d’une autre construction qui fait partie de l’immeuble d’habitation, sauf la contrepartie qui peut raisonnablement être considérée comme un loyer pour les fournitures du fonds de terre attribuable à l’immeuble d’habitation ou comme une contrepartie pour la fourniture d’une option d’achat de ce fonds;”;

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

“(3) C is the fair market value referred to in subparagraph 3 of the first paragraph of section 370.0.1.”

**270.** (1) The Act is amended by inserting the following after section 397.2:

“§ 5.1. — *Rebate to the Royal Canadian Legion*

**“397.3.** For the purposes of this subdivision,

“claim period” has the meaning assigned by section 383;

“Legion entity” means the Dominion Command or any provincial command or branch of the Royal Canadian Legion.

**“397.4.** Subject to section 397.5, a Legion entity that acquires or brings into Québec a property that is a poppy or wreath is entitled to a rebate equal to the amount of tax that becomes payable, or is paid without having become payable, by the Legion entity during a claim period in respect of the acquisition or bringing in.

**“397.5.** A Legion entity is entitled to a rebate under section 397.4 in respect of tax that becomes payable, or is paid without having become payable, by the Legion entity during a claim period only if the Legion entity files an application for the rebate within four years after the last day of the claim period.

**“397.6.** A Legion entity must not make more than one application for rebates under this subdivision for any claim period of the Legion entity.”

(2) Subsection 1 applies in respect of tax that becomes payable, or is paid without having become payable, after 31 December 2009.

(3) If, in the absence of this subsection, an application for a rebate under section 397.4 of the Act, which subsection 1 enacts, would have to be filed by a Legion entity before 9 May 2016 in order for the rebate to be paid, section 397.5 of the Act, which subsection 1 enacts, is to be read as if “the last day of the claim period” was replaced by “9 May 2012”.

**271.** The Act is amended by inserting the following heading before section 398:

“§ 5.2. — *Rebate — shipment outside Québec by a charity or a public institution*”.

**272.** This Act comes into force on 9 May 2012.