

Income Tax

IMP. 1089-1/R1 Computation of the Income Earned in Québec and Canada by a Non-Resident
From an Office or Employment Partly in Québec and Partly Outside Québec

Date of publication: March 31, 1989

Reference(s): *Taxation Act* (R.S.Q., c. I-3), sections 1089 and 1090

This bulletin cancels and replaces bulletin IMP.1089-1 dated July 31, 1987.

This bulletin gives the interpretation of the Ministère du Revenu in respect of the computation of the income earned in Québec and in Canada by a non-resident, from an office or an employment partly in Québec and partly outside Québec.

APPLICATION OF THE ACT

1. Sections 1089 and 1090 respectively, of the *Taxation Act* (the “act”) list the elements which must be considered in computing the income earned in Québec and in Canada by an individual who is not resident in Canada but who, in a taxation year or a preceding taxation year, was, among others, employed in Québec.
2. Subparagraph *a* of the first paragraph of section 1089 of the act provides for the inclusion, in computing the income earned in Québec by an individual who is not resident in Canada, of the income from an office or employment that is reasonably attributable to the duties performed by him in Québec. However, starting with the 1987 taxation year, the amount referred to in subparagraph *a* of the first paragraph of section 1089 of the act, for an individual who is a foreign researcher referred to in paragraph *a* of section 737.19 of the act, is the amount by which the income from an office or employment that is reasonably attributable to the duties performed by him in Québec exceeds the amount that would be deductible in computing his taxable income for the year under section 737.21 of the act if that taxable income were determined under Part I of the act.
3. Subparagraph *a* of the first paragraph of section 1090 of the act provides for the inclusion, in computing the income earned in Canada by an individual who is not resident in Canada, of the income from an office or employment that is reasonably attributable to the duties performed by him in Canada. However, starting with the 1987 taxation year, the amount referred to in subparagraph *a* of the first paragraph of section 1090 of the act, for an individual who is a foreign researcher referred to in paragraph *a* of section 737.19 of the act, is the amount by which the income from an office or employment that is reasonably attributable to the duties performed by him

in Québec exceeds the amount that would be deductible in computing his taxable income for the year under section 737.21 of the act if that taxable income were determined under Part I of the act.

4. The income from an office or employment that is reasonably attributable to the duties the individual performed either in Québec or in Canada is determined according to the following formulas:

Québec:

$$\frac{\text{Number of days of physical presence Québec for an office or employment} \times \text{Income from that office or employment}}{\text{Numbers of days of physical presence in Québec and elsewhere for that office or employment}}$$

Canada:

$$\frac{\text{Number of days of physical presence in Canada for an office or employment} \times \text{Income from that office or employment}}{\text{Numbers of days of physical presence in Canada and elsewhere for that office or employment}}$$

5. Thus, the income from employment earned in Québec by an individual who is not resident in Canada whose only income for the year is \$30 000 of income from employment earned in 180 working days, 60 of which were spent in Québec for the performance of his duties, will be \$10 000; $(60 \times \$30\,000) / 180$.

Furthermore, the income from employment earned in Canada by the individual, in the case where the only duties performed by him in Canada are those performed in Québec, will also be \$10 000; $(60 \times \$30\,000) / 180$.

However, if, in addition to the 60 days worked in Québec, the individual has spent 30 days elsewhere in Canada for the performance of his duties, his income from employment earned in Canada will be \$15000; $(90 \times \$30\,000) / 180$.