

## Income Tax

IMP. 1091-1                      Computation of the taxable income earned in Canada by a non-resident  
Date of publication:          October 24, 1986

Reference(s):                      *Taxation Act* (R.S.Q., c. I-3), sections 1091 and 26

### APPLICATION OF THE ACT

1. Section 1091 of the *Taxation Act* (the “act”) determines the taxable income earned in Canada by an individual referred to in section 26 of the act, for the purposes of computing the income tax payable in Québec by a non-resident of Canada.

2. A non-resident of Canada is entitled for a taxation year, in computing his taxable income earned in Canada, to the deductions permitted by paragraph *c* of section 1091 where all or substantially all of his income from all sources for the taxation year is included in the computation of his taxable income earned in Canada.

In this respect, the Ministère considers that all or substantially all means 90% or more of his income from all sources for a taxation year.

It should be noted that in the event where the income earned in Canada is sufficient to entitle him to the deductions permitted by paragraph *c*, these are wholly granted to him with no other computation or prorata.

3. An individual who wishes to avail himself of the deductions permitted in paragraph *c* of section 1091 of the act must submit to the Ministère, with his fiscal return, a statement of his income and expenses from all sources for the year which allows to conclude that the above 90% rule is fulfilled.

4. An individual resident of the United States, for example, who worked in Canada during the year 1985 for a period of 80 days and gained an income from employment earned in Canada of \$19 500 and an income from employment earned in the United States of \$45 000 will not be entitled to deduct, in computing his taxable income earned in Canada, the deductions mentioned in paragraph *c* of section 1091 of the act since all or substantially all (90%) of his world income, is not included in the computation of his taxable income earned in Canada.