

**DIVISION II.6.2**  
**DESIGN CREDIT**

§1. — *Interpretation and general provisions*

**Definitions:**

**1029.8.36.4.** In this division,

**“apparent payment”;**

“apparent payment” means an amount paid or payable by a qualified outside consultant for the use of premises, installations or equipment, or for the supply of services, that may reasonably be considered to be included in an expenditure referred to in section 1029.8.36.5 or 1029.8.36.6;

**“contract payment”;**

“contract payment” means an amount payable under a contract by the Government of Canada or of a province, by a municipality or other Canadian public authority or by a person exempt from tax under this Part by reason of Book VIII, to the extent that it may reasonably be considered that the amount payable relates to a design or pattern drafting activity of a qualified corporation or qualified partnership, as the case may be, and up to the amount incurred by the qualified corporation or qualified partnership in respect of that activity;

**“qualified designer”;**

“qualified designer” means an individual who holds, in that capacity, a certificate of qualification issued by the Minister of Economy and Innovation for the purposes of this division;

**“qualified corporation”;**

“qualified corporation”, for a taxation year, means a corporation that, in the year, has an establishment in Québec and carries on a qualified business in Québec, but does not include

(a) a corporation that is exempt from tax for the year under Book VIII; or

(b) a corporation that would be exempt from tax for the year under section 985 but for section 192;

(c) *(paragraph repealed)*;

(d) *(paragraph repealed)*;

**“qualified outside consultant”;**

“qualified outside consultant” means a person or partnership that holds, in that capacity, a certificate of qualification issued by the Minister of Economy and Innovation for the purposes of this division;

**“qualified partnership”;**

“qualified partnership”, for a fiscal period, means a partnership which, if it were a corporation, would be a qualified corporation for that fiscal period;

**“qualified patternmaker”;**

“qualified patternmaker” means an individual who holds, in that capacity, a certificate of qualification issued by the

Minister of Economy and Innovation for the purposes of this division;

**“wages”.**

“wages” means the income computed, for a particular period, pursuant to Chapters I and II of Title II of Book III.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 178; 1997, c. 3, s. 62; 1997, c. 31, s. 143; 1998, c. 16, s. 230; 1999, c. 83, s. 208; 2000, c. 5, s. 262; 2000, c. 39, s. 177; 2001, c. 51, s. 228; 2001, c. 53, s. 260; 2002, c. 9, s. 84; 2004, c. 21, s. 348; 2005, c. 1, s. 241; 2006, c. 13, s. 135; 2019, c. 14, s. 351; 2019, c. 29, s. 1.

**1029.8.36.4.1. (Repealed).**

History: 1995, c. 63, s. 179; 1997, c. 3, s. 71; 1997, c. 14, s. 222.

§2. — *Credits*

**Corporation.**

**1029.8.36.5.** A qualified corporation in respect of which the Minister of Economy and Innovation issues a certificate for a particular taxation year, in respect of a design activity, in connection with a business it carries on in Québec, carried out under a contract entered into with a qualified outside consultant and that encloses the documents referred to in the sixth paragraph with the fiscal return it is required to file under section 1000 for the particular year, is deemed, subject to the third paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 12% of

(a) if the qualified corporation is not dealing at arm’s length with the qualified outside consultant at the time the contract is entered into, the aggregate of all amounts each of which, determined in relation to a qualified designer or, as the case may be, to a qualified patternmaker, who reports for work at an establishment of the qualified outside consultant situated in Québec, is the expenditure that it incurs in the particular year, to the extent that the expenditure is paid, and that is the least of

i. the part of the cost of the contract that may reasonably be attributed to the wages paid by the qualified outside consultant to the qualified designer or qualified patternmaker in a taxation year of the qualified outside consultant or, if the qualified outside consultant is a partnership, in a fiscal period of the qualified outside consultant and before the end of the particular year, in relation to the part of the design activity, or to the part of the pattern drafting activity provided for in the contract, that is carried out in Québec in the particular year or in a preceding taxation year, or that could be so attributed if the qualified outside consultant had such employees,

ii. \$60,000, if the wages referred to in subparagraph i, in relation to a taxation year or fiscal period of the qualified outside consultant, are paid or, as the case may be, deemed to be paid to a qualified designer, and

iii. \$40,000, if the wages referred to in subparagraph i, in relation to a taxation year or fiscal period of the qualified outside consultant, are paid or, as the case may be, deemed to be paid to a qualified patternmaker; and

(b) if the qualified corporation is dealing at arm's length with the qualified outside consultant at the time the contract is entered into, the expenditure that it incurs in the year and that is 65% of all or part of the cost of the contract that may reasonably be attributed to the design activity or to a pattern drafting activity provided for in the contract that the qualified outside consultant carried out in Québec in the particular year or a preceding taxation year, to the extent that the expenditure is paid.

#### Expenditure incurred in advance.

For the purposes of the first paragraph, where an expenditure incurred in a taxation year is reasonably attributable to the carrying out of a design activity in a taxation year subsequent to the year, the expenditure is deemed to be incurred in that subsequent taxation year.

#### Computation of payments.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Exceptions.

However, the first paragraph does not apply to a qualified corporation whose gross revenue for the particular year from the carrying on of the business referred to in that paragraph is less than \$150,000 or, if the taxation year of a qualified corporation has fewer than 52 weeks, less than the amount obtained by multiplying \$150,000 by the proportion that the number of weeks in the taxation year is of 52.

#### Rules applicable.

For the purposes of subparagraphs ii and iii of subparagraph *a* of the first paragraph, the amount of \$60,000 or \$40,000 is to be replaced by the amount obtained by multiplying that amount by the proportion that the number of days in the taxation year or fiscal period of the qualified outside consultant during which the qualified designer or qualified patternmaker, as the case may be, reports for work at an establishment of the employer situated in Québec and during which the qualified designer or qualified patternmaker carries out the design activity or the pattern drafting activity provided for in the contract, is of 365.

#### Documents.

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information;

(b) a copy of the certificate issued for the particular year to the qualified corporation by the Minister of Economy and Innovation; and

(c) a copy of the certificate of qualification issued to the qualified outside consultant by the Minister of Economy and Innovation.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 180; 1997, c. 3, s. 71; 1997, c. 14, s. 223; 1997, c. 31, s. 143; 1999, c. 8, s. 20; 2001, c. 51, s. 169; 2003, c. 9, s. 276; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 349; 2006, c. 8, s. 31; 2006, c. 13, s. 136; 2015, c. 21, s. 446; 2019, c. 14, s. 352; 2019, c. 29, s. 1.

#### Partnership.

**1029.8.36.6.** If the Minister of Economy and Innovation issues a certificate to a qualified partnership for a particular fiscal period, in respect of a design activity, in connection with a business it carries on in Québec, carried out under a contract entered into with a qualified outside consultant, each qualified corporation that is a member of the qualified partnership at the end of that fiscal period and that encloses the documents referred to in the sixth paragraph with the fiscal return it is required to file under section 1000 for its taxation year in which the particular fiscal period ends, is deemed, subject to the third paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 12% of its share of

(a) if the qualified partnership is not dealing at arm's length with the qualified outside consultant at the time the contract is entered into, the aggregate of all amounts each of which, determined in relation to a qualified designer or, as the case may be, to a qualified patternmaker, who reports for work at an establishment of the qualified outside consultant situated in Québec, is the expenditure that it incurs in the particular

fiscal period, to the extent that the expenditure is paid, and that is the least of

i. the part of the cost of the contract that may reasonably be attributed to the wages paid by the qualified outside consultant to the qualified designer or qualified patternmaker in a taxation year of the qualified outside consultant or, if the qualified outside consultant is a partnership, in a fiscal period of the qualified outside consultant and before the end of the particular fiscal period, in relation to the part of the design activity, or to the part of the pattern drafting activity provided for in the contract, that is carried out in Québec in the particular fiscal period or in a preceding fiscal period, or that could be so attributed if the qualified outside consultant had such employees,

ii. \$60,000, if the wages referred to in subparagraph i, in relation to a taxation year or fiscal period of the qualified outside consultant, are paid or, as the case may be, deemed to be paid to a qualified designer, and

iii. \$40,000, if the wages referred to in subparagraph i, in relation to a taxation year or fiscal period of the qualified outside consultant, are paid or, as the case may be, deemed to be paid to a qualified patternmaker; and

(b) if the qualified partnership is dealing at arm's length with the qualified outside consultant at the time the contract is entered into, the expenditure that the qualified partnership incurs in the particular fiscal period and that is 65% of all or part of the cost of the contract that may reasonably be attributed to the design activity or to a pattern drafting activity provided for in the contract that the qualified outside consultant carried out in Québec in the particular fiscal period or a preceding fiscal period, to the extent that the expenditure is paid.

#### **Expenditure incurred in advance.**

For the purposes of the first paragraph,

(a) where an expenditure incurred in a fiscal period is reasonably attributable to the carrying out of a design activity in a fiscal period subsequent to the period, the expenditure is deemed to be incurred in that subsequent fiscal period; and

(b) a qualified corporation's share of an expenditure incurred by a qualified partnership of which the qualified corporation is a member is equal to the agreed proportion of the expenditure in respect of the qualified corporation for the partnership's fiscal period that ends in its taxation year.

#### **Computation of payments.**

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, for its taxation year in which the fiscal period of the qualified

partnership ends, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### **Exceptions.**

However, the first paragraph does not apply where the amount that would be the qualified partnership's gross revenue for the particular fiscal period from the carrying on of the business referred to in that paragraph, if, for the purposes of the definition of "gross revenue" in section 1, the qualified partnership were a corporation, is less than \$150,000 or, where the qualified partnership's fiscal period has fewer than 52 weeks, less than the amount obtained by multiplying \$150,000 by the proportion that the number of weeks in the fiscal period is of 52.

#### **Rules applicable.**

For the purposes of subparagraphs ii and iii of subparagraph *a* of the first paragraph, the amount of \$60,000 or \$40,000 is to be replaced by the amount obtained by multiplying that amount by the proportion that the number of days in the taxation year or fiscal period of the qualified outside consultant during which the qualified designer or qualified patternmaker, as the case may be, reports for work at an establishment of the employer situated in Québec and during which the qualified designer or qualified patternmaker carries out the design activity or the pattern drafting activity provided for in the contract, is of 365.

#### **Documents.**

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information;

(b) a copy of the certificate issued for the particular fiscal period to the qualified partnership by the Minister of Economy and Innovation; and

(c) a copy of the certificate of qualification issued to the qualified outside consultant by the Minister of Economy and Innovation.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 181; 1997, c. 3, s. 71; 1997, c. 14, s. 224; 1997, c. 31, s. 143; 1999, c. 8, s. 20; 2001, c. 51, s. 170; 2003, c. 9, s. 277; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 350; 2006, c. 8, s. 31; 2006, c. 13, s. 137; 2009, c. 15, s. 258; 2015, c. 21, s. 447; 2019, c. 14, s. 353; 2019, c. 29, s. 1.

#### Corporation.

**1029.8.36.7.** A qualified corporation in respect of which the Minister of Economy and Innovation issues a certificate for a period of a taxation year, in respect of a design activity in connection with a business it carries on in Québec and that encloses the documents referred to in the sixth paragraph with the fiscal return it is required to file under section 1000 for the year, is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 12% of the aggregate of

(a) the aggregate of all amounts each of which is the lesser of

i. the wages incurred by the qualified corporation, as part of the design activity and in the period described in the certificate, in respect of a qualified designer who reports for work at an establishment of the qualified corporation situated in Québec, to the extent that the wages are paid and are reasonably attributable to the carrying out of the design activity in Québec in the period, and

ii. \$60,000; and

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

i. the wages incurred by the qualified corporation, as part of a pattern drafting activity that derives from the design activity and in the period described in the certificate, in respect of a qualified patternmaker who reports for work at an establishment of the qualified corporation situated in Québec, to the extent that the wages are paid and are reasonably attributable to the carrying out of the pattern drafting activity in Québec in the period, and

ii. \$40,000.

#### Computation of payments.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under

this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Presumptions applicable to qualified wages.

For the purposes of the first paragraph,

(a) if wages incurred in a taxation year are reasonably attributable to the carrying out of a design activity or pattern drafting activity in a taxation year subsequent to the year, the wages are deemed to be incurred in that subsequent taxation year; and

(b) if wages incurred in a period, in respect of a qualified designer or qualified patternmaker, are attributable, in a proportion of at least 90%, to the carrying out of a design activity or pattern drafting activity, as the case may be, the wages are deemed to be wholly attributable to that design activity or pattern drafting activity.

#### Exceptions.

However, the first paragraph does not apply to a qualified corporation whose gross revenue for the year from the carrying on of the business referred to in that paragraph is less than \$150,000 or, where the taxation year of a qualified corporation has fewer than 52 weeks, less than the amount obtained by multiplying \$150,000 by the proportion that the number of weeks in the taxation year is of 52.

#### Rules applicable.

For the purposes of subparagraph ii of subparagraphs *a* and *b* of the first paragraph, the amount of \$60,000 or \$40,000 is to be replaced by the amount obtained by multiplying that amount by the proportion that the number of days during which the qualified designer or qualified patternmaker is an employee of the qualified corporation in the period referred to in subparagraph i of that subparagraph *a* or *b*, is of 365.

#### Documents.

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information;

(b) a copy of the certificate issued for a period of the year to the qualified corporation by the Minister of Economy and Innovation; and

(c) a copy of any certificate of qualification issued by the Minister of Economy and Innovation to a qualified designer or qualified patternmaker referred to in the first paragraph.

History: 1995, c. 1, s. 157 [amended by 1999, c. 83, s. 329]; 1995, c. 63, s.182; 1997, c. 3, s.71; 1997, c. 14, s.225; 1997, c. 31, s.143; 1999, c. 8, s.20; 2001, c. 51, s.171; 2003, c. 9, s.278; 2003, c. 29, s.135; O.C. 222-2004; 2004, c. 21, s. 351; 2006, c. 8, s. 31; 2006, c. 13, s. 138; 2015, c. 21, s. 448; 2019, c. 14, s. 354; 2019, c. 29, s. 1.

#### Partnership.

**1029.8.36.7.1.** If the Minister of Economy and Innovation issues a certificate to a qualified partnership for a period of a fiscal period, in respect of a design activity in connection with a business it carries on in Québec, each qualified corporation that is a member of the qualified partnership at the end of that fiscal period and that encloses the documents referred to in the sixth paragraph with the fiscal return it is required to file under section 1000 for its taxation year in which the partnership's fiscal period ends, is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 12% of its share of the aggregate of

(a) the aggregate of all amounts each of which is the lesser of

i. the wages incurred by the qualified partnership, as part of the design activity and in the period described in the certificate, in respect of a qualified designer who reports for work at an establishment of the qualified partnership situated in Québec, to the extent that the wages are paid and are reasonably attributable to the carrying out of the design activity in Québec in the period, and

ii. \$60,000; and

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

i. the wages incurred by the qualified partnership, as part of a pattern drafting activity that derives from the design activity and in the period described in the certificate, in respect of a qualified patternmaker who reports for work at an establishment of the qualified partnership situated in Québec, to the extent that the wages are paid and are reasonably attributable to the carrying out of the pattern drafting activity in Québec in the period, and

ii. \$40,000.

#### Computation of payments.

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, for its taxation year in which the fiscal period of the qualified partnership ends, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Presumptions applicable to wages.

The first paragraph applies with reference to the following rules:

(a) if wages incurred in a fiscal period are reasonably attributable to the carrying out of a design activity or pattern drafting activity in a fiscal period subsequent to the fiscal period, the wages are deemed to be incurred in that subsequent fiscal period;

(b) if wages incurred in a period, in respect of a qualified designer or qualified patternmaker, are attributable, in a proportion of at least 90%, to the carrying out of a design activity or pattern drafting activity, as the case may be, the wages are deemed to be wholly attributable to that design activity or pattern drafting activity; and

(c) a qualified corporation's share of wages incurred by a qualified partnership of which the qualified corporation is a member is equal to the agreed proportion of the wages in respect of the qualified corporation for the partnership's fiscal period that ends in its taxation year.

#### Exceptions.

However, the first paragraph does not apply where the amount that would be the qualified partnership's gross revenue for the fiscal period from the carrying on of the business referred to in that paragraph, if, for the purposes of the definition of "gross revenue" in section 1, the qualified

partnership were a corporation, is less than \$150,000 or, where the qualified partnership's fiscal period has fewer than 52 weeks, less than the amount obtained by multiplying \$150,000 by the proportion that the number of weeks in the fiscal period is of 52.

#### Rules applicable.

For the purposes of subparagraph ii of subparagraphs *a* and *b* of the first paragraph, the amount of \$60,000 or \$40,000 is to be replaced by the amount obtained by multiplying that amount by the proportion that the number of days during which the qualified designer or qualified patternmaker is an employee of the qualified partnership in the period referred to in subparagraph i of that subparagraph *a* or *b*, is of 365.

#### Documents.

The documents to which the first paragraph refers are

(a) the prescribed form containing the prescribed information;

(b) a copy of the certificate issued for a period of the fiscal period to the qualified partnership by the Minister of Economy and Innovation; and

(c) a copy of any certificate of qualification issued by the Minister of Economy and Innovation to a qualified designer or qualified patternmaker referred to in the first paragraph.

History: 2006, c. 13, s. 139; 2009, c. 15, s. 259; 2015, c. 21, s. 449; 2019, c. 14, s. 355; 2019, c. 29, s. 1.

#### Establishment reported to.

**1029.8.36.7.2.** For the purposes of sections 1029.8.36.5 to 1029.8.36.7.1,

(a) if, during all or part of a taxation year or fiscal period, an employee reports for work at an establishment of the employer situated in Québec and at an establishment of the employer situated outside Québec, the employee is, for that period, deemed

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the employer situated outside Québec; and

(b) if, during all or part of a taxation year or fiscal period, an employee is not required to report for work at an establishment of the employer and the employee's salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed

by the employee during that period are performed mainly in Québec.

History: 2006, c. 13, s. 139.

#### **1029.8.36.8.** (Repealed).

History: 1995, c. 1, s. 157; 1995, c. 63, s. 183; 1997, c. 14, s. 226; 1999, c. 83, s. 209; 2000, c. 39, s. 178; 2001, c. 51, s. 172.

#### **1029.8.36.9.** (Repealed).

History: 1995, c. 1, s. 157; 1997, c. 14, s. 227; 1999, c. 83, s. 210; 2000, c. 39, s. 179; 2001, c. 51, s. 172.

#### Small and medium-sized corporations.

**1029.8.36.10.** Where the corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7.1 is a corporation whose assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$75,000,000, the rate of "12%" mentioned in any of those sections 1029.8.36.5 to 1029.8.36.7.1 shall be replaced by the rate determined by the formula

$$24\% - \{[(A - \$50,000,000) / \$25,000,000] \times 12\}\%.$$

#### Interpretation.

In the formula provided for in the first paragraph, *A* is the greater of \$50,000,000 and the assets of the corporation determined as provided in this subdivision.

#### Cooperatives.

Where the corporation referred to in the first paragraph is a cooperative, the first paragraph shall be read as if the reference therein to "submitted to the shareholders" were a reference to "submitted to the members".

History: 1995, c. 1, s. 157; 1995, c. 63, s. 184; 1997, c. 3, s. 71; 1997, c. 14, s. 228; 2000, c. 39, s. 180; 2001, c. 51, s. 173; 2004, c. 21, s. 352; 2006, c. 13, s. 140; 2007, c. 12, s. 182; 2015, c. 21, s. 450.

#### Computation of a corporation's assets.

**1029.8.36.11.** For the purposes of section 1029.8.36.10, in computing the assets of a corporation at the time referred to therein, the amount representing the surplus reassessment of its property and the amount of its incorporeal assets shall be subtracted, to the extent that the amount indicated in their respect exceeds the expenditure made in their respect.

**Expenditure deemed nil.**

For the purposes of the first paragraph, where all or part of an expenditure made in respect of incorporeal assets consists of shares of the corporation's or cooperative's capital stock, all or the part of the expenditure, as the case may be, is deemed to be nil.

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 1997, c. 14, s. 229; 2005, c. 1, s. 242.

**Associated corporations.**

**1029.8.36.12.** For the purposes of section 1029.8.36.10, the assets of a corporation that is associated in a taxation year with one or more other corporations is equal to the amount by which the aggregate of the assets of the corporation and of each corporation associated with it, as determined under sections 1029.8.36.10 and 1029.8.36.11, exceeds the aggregate of the amount of investments the corporations own in each other and the balance of accounts between the corporations.

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71.

**1029.8.36.13.** *(Repealed).*

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 1997, c. 14, s. 230.

**1029.8.36.14.** *(Repealed).*

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 1997, c. 14, s. 230.

**Reduction of assets.**

**1029.8.36.15.** For the purposes of sections 1029.8.36.10 to 1029.8.36.12, where a corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7.1 or a corporation associated with it reduces its assets by any transaction in a taxation year and, but for that reduction, the corporation referred to in any of sections 1029.8.36.5 to 1029.8.36.7.1 would not be contemplated in section 1029.8.36.10, the assets are deemed not to have been so reduced unless the Minister decides otherwise.

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 1997, c. 14, s. 231; 2006, c. 13, s. 141.

**1029.8.36.16.** *(Repealed).*

History: 1995, c. 1, s. 157; 1995, c. 63, s. 185; 1997, c. 3, s. 71; 1997, c. 14, s. 232; 1999, c. 8, s. 20; 2001, c. 51, s. 174; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 8, s. 31; 2006, c. 13, s. 142; 2007, c. 12, s. 183; 2012, c. 8, s. 215.

**1029.8.36.17.** *(Repealed).*

History: 1995, c. 1, s. 157; 1995, c. 63, s. 186.

**§3. — Government assistance, non-government assistance, contract payment and other particulars****Rules applicable.**

**1029.8.36.18.** For the purpose of computing the amount that is deemed to have been paid to the Minister, for a taxation year, by a qualified corporation under section 1029.8.36.5 or 1029.8.36.6, the following rules apply:

(a) the wages referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.5 and paid to a qualified designer or qualified patternmaker by a qualified outside consultant are to be reduced, where applicable, by the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified outside consultant or qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for the taxation year;

(b) the expenditure referred to in subparagraph *b* of the first paragraph of section 1029.8.36.5 is to be reduced, where applicable, by the amount of any contract payment, government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the qualified corporation or, in the case of an apparent payment, a person with whom the qualified corporation does not deal at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for the taxation year;

(c) the share of a qualified corporation that is a member of a qualified partnership of wages referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.6 and paid to a qualified designer or qualified patternmaker by a qualified outside consultant is to be reduced, where applicable,

i. by its share of the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified outside consultant or qualified partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the wages were incurred, or

ii. by the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the wages were incurred; and

(d) the share of a qualified corporation that is a member of a qualified partnership of an expenditure referred to in subparagraph *b* of the first paragraph of section 1029.8.36.6 is to be reduced, where applicable,

i. by its share of the amount of any contract payment, government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the qualified partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the expenditure was incurred, or

ii. by the amount of any contract payment, government assistance, non-government assistance or apparent payment, attributable to the expenditure, that the qualified corporation or, in the case of an apparent payment, a person with whom the qualified corporation does not deal at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the expenditure was incurred.

#### Qualified corporation's share.

For the purposes of subparagraph i of subparagraphs *c* and *d* of the first paragraph, the qualified corporation's share of the amount of any contract payment, government assistance, non-government assistance or apparent payment that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership's fiscal period that ends in its taxation year.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 187; 1997, c. 3, s. 71; 1997, c. 31, s. 143; 2006, c. 13, s. 143; 2009, c. 15, s. 260.

#### Rules applicable.

**1029.8.36.18.1.** For the purpose of computing the amount that is deemed to have been paid to the Minister, for a taxation year, by a qualified corporation under section 1029.8.36.7 or 1029.8.36.7.1, the following rules apply:

(a) the wages incurred by the qualified corporation and referred to in subparagraph i of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.7 are to be reduced, where applicable, by the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for the taxation year;

(b) the share of a qualified corporation that is a member of a qualified partnership of wages referred to in subparagraph i of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.7.1 and incurred by the qualified partnership is to be reduced, where applicable,

i. by its share of the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified partnership has

received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the wages were incurred, or

ii. by the amount of any contract payment, government assistance or non-government assistance, attributable to the wages, that the qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period of the partnership in which the wages were incurred.

#### Qualified corporation's share.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the qualified corporation's share of the amount of any contract payment, government assistance or non-government assistance that the qualified partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership's fiscal period that ends in its taxation year.

History: 2006, c. 13, s. 144; 2009, c. 15, s. 261.

#### Benefit or advantage.

**1029.8.36.18.2.** If, in respect of a contract entered into with a qualified outside consultant providing for the carrying out of a design activity, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the carrying out of the design activity, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by a qualified corporation under section 1029.8.36.5, the expenditure referred to in that section is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister under section 1029.8.36.6 by a qualified corporation that is a member of a qualified partnership for a taxation year, the qualified corporation's share of the expenditure referred to in that section is to be reduced

i. by its share of the amount of the benefit or advantage that a partnership or a person other than a person referred to in subparagraph ii has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six



months after the end of the fiscal period of the qualified partnership in which the expenditure was incurred, and

ii. by the amount of the benefit or advantage that the qualified corporation or a person with whom the qualified corporation does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period of the qualified partnership in which the expenditure was incurred.

#### **Qualified corporation's share.**

For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the qualified corporation's share of the amount of the benefit or advantage that a partnership or person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the qualified partnership's fiscal period that ends in its taxation year.

History: 2006, c. 13, s. 144; 2009, c. 15, s. 262.

#### **Benefit or advantage.**

**1029.8.36.18.3.** If, in respect of the employment of an individual with a qualified corporation or qualified partnership as a qualified designer or qualified patternmaker, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the employment, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by the qualified corporation under section 1029.8.36.7, the wages incurred by the qualified corporation and referred to in subparagraph *i* of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.7, in respect of the qualified corporation for the taxation year, in relation to the qualified designer or qualified patternmaker, are to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister under section 1029.8.36.7.1 by a qualified corporation that is a member of the qualified partnership for a taxation year, the qualified corporation's share of wages incurred by the qualified partnership and referred to in subparagraph *i* of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.7.1, in respect of the qualified corporation for the taxation year, in relation to the qualified designer or qualified patternmaker, is to be reduced

*i.* by its share of the amount of the benefit or advantage that a partnership or a person other than a person referred to in subparagraph *ii* has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period of the qualified partnership in which the wages were incurred, and

*ii.* by the amount of the benefit or advantage that the qualified corporation or a person with whom the qualified corporation does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period of the qualified partnership in which the wages were incurred.

#### **Qualified corporation's share.**

For the purposes of subparagraph *i* of subparagraph *b* of the first paragraph, the qualified corporation's share of the amount of the benefit or advantage that a partnership or person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the qualified partnership's fiscal period that ends in its taxation year.

History: 2006, c. 13, s. 144; 2009, c. 15, s. 263.

#### **1029.8.36.19.** *(Repealed).*

History: 1995, c. 1, s. 157; 1995, c. 63, s. 188.

#### **Repayment of assistance.**

**1029.8.36.20.** If, in a taxation year, in this section referred to as the "repayment year", a qualified corporation or a qualified outside consultant with whom it has entered into a contract for the carrying out of a design activity pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, in accordance with subparagraph *a* or *b* of the first paragraph of section 1029.8.36.18, an expenditure incurred by the qualified corporation in a particular taxation year for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.5, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000 for the repayment year, to have paid to the Minister on the qualified corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.5 in respect of the expenditure, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the government assistance or non-government assistance, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.5 in respect of the expenditure; and

(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 189; 1997, c. 3, s. 71; 1999, c. 8, s. 20; 2001, c. 51, s. 175; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 13, s. 145 [amended by 2006, c. 36, s. 306].

#### Repayment of assistance.

**1029.8.36.21.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified partnership or a qualified outside consultant with whom it has entered into a contract for the carrying out of a design activity pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, in accordance with subparagraph i of subparagraph c or d of the first paragraph of section 1029.8.36.18, the share of a corporation that is a member of the qualified partnership of an expenditure incurred by the qualified partnership in a particular fiscal period for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.6, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed, if it is a member of the qualified partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.6 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.6, for its taxation year in which the particular fiscal period ends, in respect of the expenditure incurred by the qualified partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified partnership or the qualified outside consultant, if

the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph c or d of the first paragraph of section 1029.8.36.18; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 189; 1997, c. 3, s. 71; 1999, c. 8, s. 20; 2001, c. 51, s. 176; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 13, s. 145; 2006, c. 36, s. 306; 2009, c. 15, s. 264.

#### Repayment of assistance.

**1029.8.36.22.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified corporation that is a member of a qualified partnership at the end of the fiscal period of repayment pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation has received and that reduced, in accordance with subparagraph ii of subparagraph c or d of the first paragraph of section 1029.8.36.18, the qualified corporation’s share of an expenditure incurred by the qualified partnership in a particular fiscal period for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.6, in respect of the share, for its taxation year in which the particular fiscal period ended, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.6 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the qualified corporation would be deemed to have paid to the Minister under section 1029.8.36.6, for its taxation year in which the particular fiscal period ends, in respect of the expenditure

incurred by the qualified partnership, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the qualified corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified corporation, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *c* or *d* of the first paragraph of section 1029.8.36.18; and

(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 189; 1997, c. 3, s. 71; 1999, c. 8, s. 20; 2001, c. 51, s. 177; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 13, s. 145 [amended by 2006, c. 36, s. 306]; 2009, c. 15, s. 265.

#### Repayment of assistance.

**1029.8.36.23.** If, in a taxation year, in this section referred to as the “repayment year”, a qualified corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced the amount of wages incurred in respect of a qualified designer or qualified patternmaker, in accordance with subparagraph *a* of the first paragraph of section 1029.8.36.18.1, in respect of which the qualified corporation is deemed to have paid an amount to the Minister under section 1029.8.36.7 for a particular taxation year, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000 for the repayment year, to have paid to the Minister on the qualified corporation’s balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister for the particular year under section 1029.8.36.7 in respect of the wages, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the government assistance or non-government assistance, exceeds the aggregate of

(a) the amount that the qualified corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.7 in respect of the wages incurred in relation to the qualified designer or qualified patternmaker; and

(b) any amount that the qualified corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount paid by the qualified corporation as repayment of that assistance.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 189; 1997, c. 3, s. 71; 1997, c. 85, s. 258; 1998, c. 16, s. 231; 1999, c. 8, s. 20; 2001, c. 7, s. 169; 2001, c. 51, s. 178; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 13, s. 145 [amended by 2006, c. 36, s. 306].

#### Repayment of assistance.

**1029.8.36.23.1.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified partnership pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, in accordance with subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.18.1, the share of a qualified corporation that is a member of the qualified partnership of the amount of wages incurred by the qualified partnership in a particular fiscal period, in respect of a qualified designer or qualified patternmaker, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ended, the qualified corporation is deemed, if it is a member of the qualified partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.7.1 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the qualified corporation would be deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, in respect of the wages incurred by the qualified partnership in relation to the qualified designer or qualified patternmaker, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the qualified corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified partnership, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.18.1; and

(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2006, c. 13, s. 146; 2006, c. 36, s. 148; 2009, c. 15, s. 266.

#### Repayment of assistance.

**1029.8.36.23.2.** If, in a fiscal period, in this section referred to as the “fiscal period of repayment”, a qualified corporation that is a member of a qualified partnership at the end of the fiscal period of repayment pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that the qualified corporation received and that reduced, in accordance with subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.18.1, the qualified corporation’s share of the amount of wages incurred by the qualified partnership in a particular fiscal period, in respect of a qualified designer or qualified patternmaker, for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister under section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, the qualified corporation is deemed, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file under section 1000, for its taxation year in which the fiscal period of repayment ends, to have paid to the Minister on the qualified corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the qualified corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of the share, under section 1029.8.36.7.1 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(a) the amount that the qualified corporation would be deemed to have paid to the Minister under

section 1029.8.36.7.1, for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the qualified corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount paid by the qualified corporation, if the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.18.1; and

(b) the agreed proportion in respect of the qualified corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2006, c. 13, s. 146; 2006, c. 36, s. 149; 2009, c. 15, s. 267.

#### Deemed repayment.

**1029.8.36.24.** For the purposes of sections 1029.8.36.20 to 1029.8.36.22, an amount is deemed to be an amount paid, at a particular time, as a repayment of assistance by a qualified corporation, a qualified outside consultant or a qualified partnership, as the case may be, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.18, the expenditure referred to in section 1029.8.36.5 or the share of a qualified corporation that is a member of the qualified partnership of the expenditure referred to in section 1029.8.36.6;

(b) was not received by the qualified corporation, the qualified outside consultant or the qualified partnership; and

(c) ceased at that time to be an amount that the qualified corporation, the qualified outside consultant or the qualified partnership could reasonably expect to receive.

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 2006, c. 13, s. 147 [amended by 2006, c. 36, s. 307].

#### Deemed repayment.

**1029.8.36.25.** For the purposes of sections 1029.8.36.23 to 1029.8.36.23.2, an amount is deemed to be an amount

paid, at a particular time, as a repayment of assistance by a qualified corporation or a qualified partnership, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.18.1, the wages incurred by the qualified corporation and referred to in section 1029.8.36.7 or the share of a qualified corporation of the wages incurred by the qualified partnership and referred to in section 1029.8.36.7.1;

(b) was not received by the qualified corporation or the qualified partnership; and

(c) ceased at that time to be an amount that the qualified corporation or the qualified partnership could reasonably expect to receive.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 190; 1997, c. 3, s. 71; 2006, c. 13, s. 147; 2006, c. 36, s. 150.

#### Rules applicable.

**1029.8.36.26.** For the purposes of sections 1029.8.36.5 and 1029.8.36.6, the expenditure referred to in those sections shall be reduced by the amount of the consideration for the disposition of property either to the qualified corporation or a person with whom the qualified corporation does not deal at arm's length, or to the qualified partnership, one of its members or a person with whom one of its members does not deal at arm's length, except to the extent that such consideration may reasonably be considered to relate to property resulting from the design activity referred to in either of those sections.

History: 1995, c. 1, s. 157; 1995, c. 63, s. 191; 1997, c. 3, s. 71.

#### **1029.8.36.27.** *(Repealed).*

History: 1995, c. 1, s. 157; 1995, c. 63, s. 192; 1997, c. 3, s. 71; 1997, c. 31, s. 116; 2006, c. 13, s. 148.

#### **1029.8.36.28.** *(Repealed).*

History: 1995, c. 1, s. 157; 1997, c. 3, s. 71; 2006, c. 13, s. 149; 2015, c. 21, s. 451.

#### **1029.8.36.29.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 31, s. 117; 2001, c. 51, s. 179; 2002, c. 9, s. 85.

### DIVISION II.6.3

*(Repealed).*

§1. — *(Repealed).*

#### **1029.8.36.30.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.31.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.32.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233; 1997, c. 14, s. 376.

#### **1029.8.36.33.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.34.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.35.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.36.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.37.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.38.** *(Repealed).*

History: 1995, c. 63, s. 193; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

§2. — *(Repealed).*

#### **1029.8.36.39.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.40.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.41.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.42.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.43.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

#### **1029.8.36.44.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**1029.8.36.45.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**1029.8.36.46.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**1029.8.36.47.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

§3. — *(Repealed).*

**1029.8.36.48.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 14, s. 233.

**1029.8.36.49.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**1029.8.36.50.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**1029.8.36.51.** *(Repealed).*

History: 1995, c. 63, s. 193 [amended by 1997, c. 14, s. 376]; 1997, c. 3, s. 71; 1997, c. 14, s. 233.

**DIVISION II.6.4****CREDIT IN RESPECT OF ENVIRONMENTAL TRUSTS****Part III.12 tax credit.**

**1029.8.36.52.** In this division, “Part III.12 tax credit” of a taxpayer for a particular taxation year means the aggregate of

(a) all amounts each of which is an amount determined by the formula

$A \times B / C$ ; and

(b) in respect of each partnership of which the taxpayer is a member, all amounts each of which is the amount that can reasonably be considered to be the taxpayer’s share of the amount that would, if the partnership were a person and its fiscal period were its taxation year, be the Part III.12 tax credit of the partnership for its taxation year that ends in the particular year.

**Interpretation.**

For the purposes of the formula in the first paragraph,

(a) A is the tax payable under Part III.12 by an environmental trust for a taxation year of the trust, in this paragraph referred to as the “trust’s year”, that ends in the particular year;

(b) B is the amount by which the aggregate of all amounts in respect of the trust that are included, otherwise than because of the taxpayer being a member of a partnership, because of section 692.1 in computing the taxpayer’s income for the particular year exceeds the aggregate of all amounts in respect of the trust that are deducted, otherwise than because of the taxpayer being a member of a partnership, because of that section 692.1 in computing such income; and

(c) C is the trust’s income for the trust’s year, computed in the manner prescribed in the second paragraph of section 1129.52.

History: 1996, c. 39, s. 250; 1997, c. 3, s. 71; 2000, c. 5, s. 264.

**Corresponding Federal Provision:** 127.41(1).

**Credit.**

**1029.8.36.53.** A taxpayer, other than a taxpayer exempt from tax payable under this Part, is deemed, subject to the second paragraph, to have paid to the Minister for a taxation year on the taxpayer’s balance-due day for that year, on account of the taxpayer’s tax payable under this Part for that year, an amount equal to the amount by which the taxpayer’s Part III.12 tax credit for the year exceeds the amount deducted under section 776.1.6 in computing the taxpayer’s tax payable under this Part for the year.

**Computation of payments.**

For the purpose of computing the payments that a taxpayer referred to in the first paragraph is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer’s tax payable for the year under this Part and of the taxpayer’s tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first

paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 1996, c. 39, s. 250; 1997, c. 3, s. 71; 1997, c. 31, s. 143; 2005, c. 1, s. 243.

**Corresponding Federal Provision:** 127.41(3).

#### DIVISION II.6.4.1

*(Repealed).*

#### **1029.8.36.53.1.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.2.** *(Repealed).*

History: 2002, c. 40, s. 165; 2003, c. 9, s. 279; 2010, c. 25, s. 137.

#### **1029.8.36.53.3.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.4.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.5.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.6.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.7.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.8.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### **1029.8.36.53.9.** *(Repealed).*

History: 2002, c. 40, s. 165; 2010, c. 25, s. 137.

#### DIVISION II.6.4.2

### CREDIT FOR THE ACQUISITION OF PIG MANURE TREATMENT FACILITIES

#### §1. — *Interpretation and general*

Definitions:

**1029.8.36.53.10.** In this division,

**“eligible expenses”;**

“eligible expenses” of an eligible taxpayer for a taxation year or of a partnership for a fiscal period, in respect of an eligible facility, means the aggregate of expenses that are directly attributable to the acquisition and installation of the eligible facility and that are incurred by the taxpayer in the taxation year or by the partnership in the fiscal period,

(a) after 23 March 2006 and before 1 April 2010; or

(b) after 31 March 2010 and before 1 April 2011, if

i. the expenses are incurred pursuant to the application for a qualification certificate, in relation to the eligible facility, filed with the Minister of Agriculture, Fisheries and Food before 1 April 2010, and

ii. the installation of the eligible facility began before 1 April 2010;

**“eligible facility”;**

“eligible facility” relating to a farming establishment means a facility to be installed in the farming establishment and in respect of which the Minister of Agriculture, Fisheries and Food has issued a qualification certificate for the purposes of this division;

**“eligible taxpayer”;**

“eligible taxpayer” means an individual or corporation, other than an excluded corporation;

**“excluded corporation”.**

“excluded corporation” for a taxation year means a corporation that is exempt from tax for the year under Book VIII or that would be exempt from tax for the year under section 985, but for section 192.

#### **Exclusion of certain expenses.**

The expenses described in the definition of “eligible expenses” in the first paragraph do not include the expenses in respect of which an election is made under section 180 or 182 after 29 June 2006.

#### **Member’s share.**

For the purposes of this division, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for that fiscal period.

History: 2007, c. 12, s. 184; 2009, c. 15, s. 268.

#### §2. — *Credit*

#### **Credit.**

**1029.8.36.53.11.** An eligible taxpayer that, in a taxation year, carries on a farming business in Québec and is recognized as a pig producer by the Minister of Agriculture, Fisheries and Food, and that encloses the documents described in the third paragraph with the fiscal return the taxpayer is required to file for the year under section 1000, or would be so required to file if the taxpayer had tax payable for the year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister on the taxpayer’s balance-due day for the year, on account of the taxpayer’s tax payable for the year under this Part, an amount equal to 30% of the aggregate of all amounts each of which is the amount of the taxpayer’s eligible expenses for the year in respect of

an eligible facility relating to a farming establishment of the taxpayer, to the extent that those expenses have been paid.

#### Computation of payments.

For the purpose of computing the payments that a taxpayer is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the valid qualification certificate issued, in relation to an eligible facility referred to in the first paragraph, by the Minister of Agriculture, Fisheries and Food for the purposes of this division.

History: 2007, c. 12, s. 184.

#### Credit for a member of a partnership.

**1029.8.36.53.12.** If, in a fiscal period, a partnership carries on a farming business in Québec and is recognized as a pig producer by the Minister of Agriculture, Fisheries and Food, each eligible taxpayer that is a member of the partnership at the end of the fiscal period and that encloses the documents described in the third paragraph with the fiscal return the taxpayer is required to file under section 1000 for the taxpayer's taxation year in which the fiscal period ends, or would be so required to file if the taxpayer had tax payable for the year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister on the taxpayer's balance-due day for the year, on account of the taxpayer's tax payable for the year under this Part, an amount equal to 30% of the taxpayer's share of the

aggregate of all amounts each of which is the amount of the partnership's eligible expenses for the fiscal period in respect of an eligible facility relating to a farming establishment of the partnership, to the extent that those expenses have been paid.

#### Computation of payments.

For the purpose of computing the payments that a taxpayer is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the valid qualification certificate issued, in relation to an eligible facility referred to in the first paragraph, by the Minister of Agriculture, Fisheries and Food for the purposes of this division.

History: 2007, c. 12, s. 184.

#### Cumulative limit of the credit in respect of a farming establishment.

**1029.8.36.53.13.** For the purposes of this division, the amount that an eligible taxpayer is deemed to have paid to the Minister for a taxation year under this division, in respect of eligible facilities relating to a farming establishment, may not exceed the amount by which \$200,000 exceeds the aggregate of all amounts each of which is an amount otherwise deemed to have been paid to the Minister by an eligible taxpayer under this division, in respect of eligible



facilities relating to the farming establishment, for the year or a preceding taxation year.

History: 2007, c. 12, s. 184.

**1029.8.36.53.14.** *(Repealed).*

History: 2007, c. 12, s. 184; 2012, c. 8, s. 216.

§3. — *Government assistance, non-government assistance and other particulars*

**Assistance reducing eligible expenses.**

**1029.8.36.53.15.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a taxpayer, for a taxation year, under section 1029.8.36.53.11 or 1029.8.36.53.12, the following rules apply:

(a) the amount of the eligible expenses referred to in the first paragraph of section 1029.8.36.53.11 is to be reduced, where applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the taxpayer has received, is entitled to receive or may reasonably expect to receive, on or before the taxpayer's filing-due date for the year; and

(b) the taxpayer's share of the eligible expenses of a partnership, referred to in the first paragraph of section 1029.8.36.53.12, for a fiscal period of the partnership that ends in the taxation year is to be reduced, where applicable,

i. by the taxpayer's share, for the fiscal period, of any amount of government assistance or non-government assistance attributable to the expenses that the partnership has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance attributable to the expenses that the taxpayer has received, is entitled to receive or may reasonably expect to receive, on or before the taxpayer's filing-due date for the year.

History: 2007, c. 12, s. 184.

**Benefit or advantage reducing eligible expenses.**

**1029.8.36.53.16.** If, in respect of eligible expenses of an eligible taxpayer or of a particular partnership, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the acquisition or installation of the eligible facility to which the eligible expenses relate, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister for a taxation year under section 1029.8.36.53.11, the amount of the eligible expenses referred to in the first paragraph of that section is to be reduced by the amount of the benefit or advantage relating to the eligible expenses that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the taxpayer's filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.53.12 by a taxpayer that is a member of the particular partnership, the taxpayer's share, referred to in the first paragraph of that section, for a fiscal period of the partnership that ends in the taxation year, of the amount of the eligible expenses, is to be reduced

i. by the taxpayer's share, for the fiscal period, of the amount of the benefit or advantage relating to the eligible expenses that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage relating to the eligible expenses that the taxpayer or a person with whom the taxpayer is not dealing at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

History: 2007, c. 12, s. 184.

**Repayment of assistance by a taxpayer.**

**1029.8.36.53.17.** If, before 1 April 2013, an eligible taxpayer pays, in a taxation year, in this section referred to as the "repayment year", pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of paragraph *a* of section 1029.8.36.53.15, the taxpayer's eligible expenses for a particular taxation year for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.53.11, the taxpayer is deemed, if the taxpayer encloses the prescribed form with the fiscal return the taxpayer is required to file for the repayment year under section 1000, or would be so required to file if the taxpayer had tax payable for the repayment year under this Part, to have paid to the Minister on the taxpayer's balance-due day for the repayment year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to the amount by which the amount that the taxpayer would be deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.53.11, in respect of the eligible expenses, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular taxation year, the amount of any government assistance or non-government assistance

referred to in paragraph *a* of section 1029.8.36.53.15, exceeds the aggregate of

(a) the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.11 for the particular taxation year in respect of the eligible expenses; and

(b) any amount that the taxpayer is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

History: 2007, c. 12, s. 184.

#### Repayment of assistance by a partnership.

**1029.8.36.53.18.** If, before 1 April 2013, a partnership pays, in a fiscal period, in this section referred to as the “fiscal period of repayment”, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *i* of paragraph *b* of section 1029.8.36.53.15, an eligible taxpayer’s share of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.12, in respect of the share, for the taxpayer’s taxation year in which the particular fiscal period ended, the taxpayer is deemed to have paid to the Minister on the taxpayer’s balance-due day for the taxpayer’s taxation year in which the fiscal period of repayment ends, on account of the taxpayer’s tax payable for that year under this Part, if the taxpayer is a member of the partnership at the end of the fiscal period of repayment and if the taxpayer encloses the prescribed form with the fiscal return the taxpayer is required to file for that year under section 1000, or would be so required to file if the taxpayer had tax payable for that taxation year under this Part, an amount equal to the amount by which the particular amount that the taxpayer would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.53.12 for the taxpayer’s taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.12, for the taxpayer’s taxation year in which the particular fiscal period ends, in respect of the eligible expenses of the partnership, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the taxpayer would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph *i* of paragraph *b* of section 1029.8.36.53.15; and

(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2007, c. 12, s. 184; 2009, c. 15, s. 269.

#### Repayment of assistance by a member of a partnership.

**1029.8.36.53.19.** If, before 1 April 2013, an eligible taxpayer is a member of a partnership at the end of a fiscal period of the partnership, in this section referred to as the “fiscal period of repayment”, and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *ii* of paragraph *b* of section 1029.8.36.53.15, the taxpayer’s share of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.12, in respect of the share, for the taxpayer’s taxation year in which the particular fiscal period ended, the taxpayer is deemed to have paid to the Minister on the taxpayer’s balance-due day for the taxpayer’s taxation year in which the fiscal period of repayment ends, on account of the taxpayer’s tax payable for that year under this Part, if the taxpayer encloses the prescribed form containing the prescribed information with the fiscal return the taxpayer is required to file for that year under section 1000, or would be so required to file if the taxpayer had tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the taxpayer would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.53.12 for the taxpayer’s taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.12 for the taxpayer’s taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the taxpayer would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the taxpayer, if the agreed proportion in respect of

the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

**Rules applicable.**

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of paragraph *b* of section 1029.8.36.53.15; and

(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2007, c. 12, s. 184; 2009, c. 15, s. 270.

**Deemed repayment of assistance.**

**1029.8.36.53.20.** For the purposes of sections 1029.8.36.53.17 to 1029.8.36.53.19, an amount of assistance is deemed to be repaid by a taxpayer or partnership at a particular time, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.53.15, eligible expenses or the share of such expenses of a taxpayer that is a member of the partnership, for the purpose of computing the amount that the taxpayer or the taxpayer that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.53.11 or 1029.8.36.53.12;

(b) was not received by the taxpayer or partnership; and

(c) ceased at the particular time to be an amount that the taxpayer or partnership may reasonably expect to receive.

History: 2007, c. 12, s. 184.

**DIVISION II.6.4.2.1**

**CREDIT IN RESPECT OF INTEREST PAYABLE ON FINANCING OBTAINED UNDER THE SELLER-LENDER FORMULA OF LA FINANCIÈRE AGRICOLE DU QUÉBEC**

§1. — *Interpretation*

**Definitions:**

**1029.8.36.53.20.1.** In this division,

**“eligibility period”;**

“eligibility period”, in relation to qualified financing, of an eligible taxpayer or a qualified partnership means the period that begins on the particular day on which the agreement giving rise to the qualified financing is entered into, or, if it is later, on 1 January 2015, and that ends 10 years after the particular day;

**“eligible expenses”;**

“eligible expenses”, in respect of qualified financing, of an eligible taxpayer for a taxation year or of a qualified partnership for a fiscal period, means the interest, in respect of the qualified financing, that is attributable to the portion of the taxpayer’s or partnership’s eligibility period, in relation to the qualified financing, that is included in the taxation year or fiscal period, as the case may be;

**“eligible taxpayer”;**

“eligible taxpayer” for a taxation year means a taxpayer who, in the year, carries on a business in Québec and who is not a tax-exempt taxpayer;

**“qualified financing”;**

“qualified financing” of an eligible taxpayer or a qualified partnership means a loan, within the meaning of section 2 of the Program for farm financing established under the Act respecting La Financière agricole du Québec (chapter L-0.1), that is granted to the taxpayer or partnership under the program by a lender, within the meaning of paragraph 3 of the definition of that expression in that section 2, as a consequence of an agreement entered into after 2 December 2014 and before 1 January 2020;

**“qualified partnership”;**

“qualified partnership” for a fiscal period means a partnership that, during the period, carries on a business in Québec;

**“tax-exempt taxpayer”.**

“tax-exempt taxpayer” means

- (1) a person exempt from tax under Book VIII;
- (2) a trust one of the capital or income beneficiaries of which is a tax-exempt person under Book VIII or a corporation that would be exempt from tax under section 985, but for section 192; or
- (3) a corporation described in paragraph 2.

**Member’s share.**

For the purposes of this division, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for that fiscal period.

History: 2015, c. 24, s. 141.

§2. — *Credits*

**Credit.**

**1029.8.36.53.20.2.** An eligible taxpayer for a taxation year who encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file for the year under section 1000, or would be required to so file if the taxpayer had tax payable for the year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister on the taxpayer’s balance-due day for the year, on account of the taxpayer’s tax payable for the year

under this Part, an amount equal to 40% of the aggregate of all amounts each of which is the amount of the taxpayer's eligible expenses for the year in respect of qualified financing of the taxpayer, to the extent that those eligible expenses are paid.

#### Computation of payments.

For the purpose of computing the payments that an eligible taxpayer is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2015, c. 24, s. 141.

#### Credit for members of a partnership.

**1029.8.36.53.20.3.** A taxpayer who is a member of a qualified partnership at the end of a fiscal period of the qualified partnership and encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000 for the taxpayer's taxation year in which that fiscal period ends, or would be required to so file if the taxpayer had tax payable for that year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister, on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 40% of the taxpayer's share of the aggregate of all amounts each of which is the amount of eligible expenses of the partnership for the fiscal period in respect of qualified financing of the partnership, to the extent that those eligible expenses are paid.

#### Computation of payments.

For the purpose of computing the payments that a taxpayer referred to in the first paragraph is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19

where they refer to that subparagraph *a*, for the taxpayer's taxation year in which the partnership's fiscal period ends, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2015, c. 24, s. 141.

#### §3. — *Government assistance, non-government assistance and other particulars*

##### Assistance.

**1029.8.36.53.20.4.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a taxpayer, for a taxation year, under section 1029.8.36.53.20.2 or 1029.8.36.53.20.3, the following rules apply:

(a) the amount of the eligible expenses referred to in the first paragraph of section 1029.8.36.53.20.2 is to be reduced, where applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the taxpayer has received, is entitled to receive or may reasonably expect to receive, on or before the taxpayer's filing-due date for the year; and

(b) the taxpayer's share of the aggregate of the eligible expenses of a partnership, which are referred to in the first paragraph of section 1029.8.36.53.20.3, for a fiscal period of the partnership that ends in the taxation year is to be reduced, where applicable,

i. by the taxpayer's share, for the fiscal period, of any amount of government assistance or non-government assistance attributable to the expenses that the partnership has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance attributable to the expenses that the taxpayer has received, is entitled to receive or may

reasonably expect to receive, on or before the taxpayer's filing-due date for the year.

History: 2015, c. 24, s. 141.

#### Benefit or advantage.

**1029.8.36.53.20.5.** If, in respect of eligible expenses of an eligible taxpayer or of a qualified partnership (in this section referred to as the "particular partnership"), a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the qualified financing to which the eligible expenses are attributable, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister for a taxation year under section 1029.8.36.53.20.2, the amount of the eligible expenses referred to in the first paragraph of that section is to be reduced by the amount of the benefit or advantage relating to the eligible expenses that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the taxpayer's filing-due date for the taxation year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.53.20.3 by a taxpayer who is a member of the particular partnership, at the end of a fiscal period of the particular partnership that ends in the taxation year, the taxpayer's share, referred to in the first paragraph of that section, of the aggregate of the eligible expenses of the particular partnership for the fiscal period is to be reduced

i. by the taxpayer's share, for the fiscal period, of the amount of the benefit or advantage relating to the eligible expenses that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage relating to the eligible expenses that the taxpayer or a person with whom the taxpayer is not dealing at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

History: 2015, c. 24, s. 141.

#### Repayment of assistance by a taxpayer.

**1029.8.36.53.20.6.** If, before 1 January 2032, a taxpayer pays, in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment

of government assistance or non-government assistance that reduced, because of paragraph *a* of section 1029.8.36.53.20.4, the taxpayer's eligible expenses for a particular taxation year for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister for the particular taxation year under section 1029.8.36.53.20.2, the taxpayer is deemed, if the taxpayer encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file for the repayment year under section 1000, or would be required to so file if the taxpayer had tax payable for the repayment year under this Part, to have paid to the Minister on the taxpayer's balance-due day for the repayment year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to the amount by which the amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.20.2 for the particular year, in respect of the eligible expenses, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in paragraph *a* of section 1029.8.36.53.20.4, exceeds the aggregate of

(a) the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.20.2 for the particular year in respect of the eligible expenses; and

(b) any amount that the taxpayer is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

History: 2015, c. 24, s. 141.

#### Repayment of assistance by a partnership.

**1029.8.36.53.20.7.** If, before 1 January 2032, a partnership pays, in a fiscal period (in this section referred to as the "fiscal period of repayment"), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *i* of paragraph *b* of section 1029.8.36.53.20.4, a taxpayer's share of the aggregate of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.20.3, in respect of the share, for the taxpayer's taxation year in which the particular fiscal period ended, the taxpayer is deemed to have paid to the Minister on the taxpayer's balance-due day for the taxpayer's taxation year in which the fiscal period of repayment ends, on account of the taxpayer's tax payable for that year under this Part, if the taxpayer is a member of the partnership at the end of the fiscal period of repayment and if the taxpayer encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file for that year under section 1000, or would be required to so file if the taxpayer had tax payable for that year under this Part, an amount equal to the amount by which

the particular amount that the taxpayer would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.53.20.3 for the taxpayer's taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.20.3, for the taxpayer's taxation year in which the particular fiscal period ends, in respect of the eligible expenses of the partnership, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the taxpayer would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of section 1029.8.36.53.20.4; and

(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2015, c. 24, s. 141.

#### Repayment of assistance by a member of a partnership.

**1029.8.36.53.20.8.** If a taxpayer is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") and pays, before 1 January 2032 and in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of paragraph b of section 1029.8.36.53.20.4, the taxpayer's share of the aggregate of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister under section 1029.8.36.53.20.3, in respect of the share, for the taxpayer's taxation year in which the particular fiscal period ended, the taxpayer is deemed to have paid to the Minister on the taxpayer's balance-due day for the taxpayer's taxation year in which the fiscal period of repayment ends, on account of the taxpayer's tax payable for that year under this Part, if the taxpayer encloses the prescribed form containing prescribed

information with the fiscal return the taxpayer is required to file for that year under section 1000, or would be required to so file if the taxpayer had tax payable for that year under this Part, an amount equal to the amount by which the particular amount that the taxpayer would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.53.20.3 for the taxpayer's taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the taxpayer would be deemed to have paid to the Minister under section 1029.8.36.53.20.3 for the taxpayer's taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the taxpayer would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the taxpayer, if the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of paragraph b of section 1029.8.36.53.20.4; and

(b) the agreed proportion in respect of the taxpayer for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2015, c. 24, s. 141.

#### Deemed repayment of assistance.

**1029.8.36.53.20.9.** For the purposes of sections 1029.8.36.53.20.6 to 1029.8.36.53.20.8, an amount of assistance is deemed to be repaid by a taxpayer or a partnership, as the case may be, at a particular time, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.53.20.4, the taxpayer's eligible expenses or the taxpayer's share of the aggregate of the partnership's eligible expenses, for the purpose of computing the amount that the taxpayer is deemed to have paid to the Minister for a taxation year under section 1029.8.36.53.20.2 or 1029.8.36.53.20.3;

(b) was not received by the taxpayer or partnership; and

(c) ceased at the particular time to be an amount that the taxpayer or partnership could reasonably expect to receive.

History: 2015, c. 24, s. 141.

### DIVISION II.6.4.3

#### CREDIT FOR THE ACQUISITION OR LEASING OF AN ENERGY-EFFICIENT VEHICLE

##### Definitions:

**1029.8.36.53.21.** In this division,

**“long-term leasing”;**

“long-term leasing” of a recognized energy-efficient vehicle means the leasing of such a vehicle for a continuous period of at least 12 months;

**“low-speed vehicle”;**

“low-speed vehicle” has the meaning assigned by subsection 1 of section 2 of the Motor Vehicle Safety Regulations made under the Motor Vehicle Safety Act (Statutes of Canada, 1993, chapter 16);

**“model year”;**

“model year” has the meaning assigned by subsection 1 of section 2 of the Motor Vehicle Safety Regulations;

**“off-highway vehicle”;**

“off-highway vehicle” means a vehicle to which the Act respecting off-highway vehicles (chapter V-1.2) applies;

**“qualifying person”;**

“qualifying person” for a taxation year means

(a) an individual, other than a trust, who is resident in Québec at the end of 31 December of the year or, if the individual died or ceased to be resident in Canada in the year, who was resident in Québec immediately before death or the time at which the individual ceased to be resident in Canada; and

(b) a corporation that, in the year, has an establishment in Québec and is not

i. a corporation that is exempt from tax for the year under Book VIII, other than an insurer referred to in paragraph *k* of section 998 that is not so exempt from tax on all of its taxable income for the year because of section 999.0.1, or

ii. a corporation that would be exempt from tax for the year under section 985, but for section 192;

**“recognized energy-efficient vehicle”.**

“recognized energy-efficient vehicle” means a vehicle equipped with four wheels, other than an off-highway vehicle, that meets the following conditions:

(a) the vehicle is powered wholly or partly by gasoline or diesel fuel or, in the case of a hybrid vehicle, is powered partly by gasoline or diesel fuel and by electricity, or does not use fuel as its source of energy;

(b) if the vehicle is powered wholly or partly by gasoline or diesel fuel and is not a rechargeable hybrid vehicle, the

vehicle’s weighted fuel consumption rating, determined in accordance with section 1029.8.36.53.22, does not exceed

i. 5.27 litres, in the case of a vehicle powered wholly or partly by gasoline, or

ii. 4.54 litres, in the case of a vehicle powered wholly or partly by diesel fuel;

(c) the vehicle is registered, or deemed to be registered, for the first time in Québec and has never been registered outside Québec, unless such registration was temporary in order to bring the vehicle into Québec immediately after possession was taken;

(d) if the vehicle is acquired or leased

i. by a qualifying person, the vehicle is registered in the name of that person as being the owner, co-owner or lessee, as the case may be, or

ii. by a partnership, the vehicle is registered in the name of a member of the partnership; and

(e) if the vehicle is acquired, it is not acquired for the purpose of resale or long-term leasing.

##### Rules applicable.

For the purposes of the definition of “recognized energy-efficient vehicle” in the first paragraph,

(a) a vehicle is deemed to be registered for the first time in Québec if the only previous registration of the vehicle was in the name of a dealer or manufacturer that held it in its vehicle fleet for the purpose of lending it for test drives; and

(b) a vehicle that is the subject of long-term leasing and that is registered both in the name of its owner and of its lessee is deemed to be registered only in the lessee’s name.

History: 2010, c. 5, s. 157; 2011, c. 34, s. 88.

##### Weighted fuel consumption rating.

**1029.8.36.53.22.** The weighted fuel consumption rating of a vehicle, to which paragraph *b* of the definition of “recognized energy-efficient vehicle” in the first paragraph of section 1029.8.36.53.21 refers, is equal to the number of litres of fuel determined by the formula

$$(0.55 \times A) + (0.45 \times B).$$

##### Interpretation.

In the formula in the first paragraph,

(a) A is the vehicle’s city fuel consumption rating; and

(b) B is the vehicle’s highway fuel consumption rating.

**City and highway fuel consumption ratings**

For the purposes of the second paragraph and subject to the fifth paragraph, the city and highway fuel consumption ratings of a particular vehicle are those based on the number of litres of fuel per 100 kilometres consumed by a vehicle of the same make, model and model year as the particular vehicle and that has the same attributes as the particular vehicle, as established in the Fuel Consumption Guide published by Natural Resources Canada for the model year.

**Discrepancy**

In the event of a discrepancy between the printed version of the Fuel Consumption Guide published by Natural Resources Canada for a model year and the version available for the model year on that department's website, the website version shall prevail.

**No rating in the Fuel Consumption Guide.**

If the Fuel Consumption Guide has not established a fuel consumption rating in respect of a vehicle for a model year, the city and highway fuel consumption ratings of the vehicle, referred to in subparagraphs *a* and *b* of the second paragraph, are to be established, to the satisfaction of the Minister, on the basis of the number of litres of fuel per 100 kilometres consumed by the vehicle in the city and on the highway, respectively.

History: 2010, c. 5, s. 157.

**Credit.**

**1029.8.36.53.23.** A qualifying person who, at a time in a taxation year that occurs after 31 December 2008 and before 1 January 2012, acquires a recognized energy-efficient vehicle or leases such a vehicle under a long-term leasing contract, is deemed, subject to the second and third paragraphs, if the qualifying person encloses the prescribed form containing prescribed information with the fiscal return the qualifying person is required to file for the year under section 1000, or would be so required to file if the qualifying person had tax payable for that year under this Part, to have paid to the Minister, on the qualifying person's balance-due day for that year, on account of the qualifying person's tax payable for that year under this Part, the amount determined under section 1029.8.36.53.25 or 1029.8.36.53.26, in relation to the recognized energy-efficient vehicle, depending on whether the qualifying person acquires or leases it.

**Computation of payments.**

For the purpose of computing the payments that a person is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the person is deemed to have paid to the Minister, on account of the aggregate of the person's tax payable for the year under this Part and of the person's tax payable for the year under Parts IV, IV.1, VI and VI.1, on the

date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Exception.**

This section does not apply to the acquisition or long-term leasing of a recognized energy-efficient vehicle that results from the awarding of a prize, unless the value of the prize is included in computing the income of the qualifying person receiving the prize.

History: 2010, c. 5, s. 157; 2011, c. 34, s. 89.

**Credit.**

**1029.8.36.53.24.** If a partnership acquires a recognized energy-efficient vehicle or leases such a vehicle under a long-term leasing contract at a time in a fiscal period that occurs after 31 December 2008 and before 1 January 2012, every qualifying person who is a member of the partnership at the end of that fiscal period and encloses the prescribed form containing prescribed information with the fiscal return the qualifying person is required to file under section 1000 for the qualifying person's taxation year in which that fiscal period ends, or would be required to so file if the qualifying person had tax payable for the year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister, on the qualifying person's balance-due day for that year, on account of the qualifying person's tax payable for that year under this Part, an amount equal to the qualifying person's share of the amount determined under section 1029.8.36.53.25 or 1029.8.36.53.26, in relation to the recognized energy-efficient vehicle, depending on whether the partnership acquires or leases it.

**Computation of payments.**

For the purpose of computing the payments that a person referred to in the first paragraph is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, for the person's taxation year in which the fiscal period of the partnership ends, the person is deemed to have paid to the Minister, on account of the aggregate of the person's tax payable for the year under this Part and of the person's tax payable for the



year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Member's share.

For the purposes of the first paragraph, a qualifying person's share of an amount for a fiscal period of a partnership is equal to the agreed proportion of the amount in respect of the qualifying person for the partnership's fiscal period.

History: 2010, c. 5, s. 157; 2011, c. 34, s. 90.

#### Credit amount for the acquisition of an energy-efficient vehicle.

**1029.8.36.53.25.** The amount to which the first paragraph of sections 1029.8.36.53.23 and 1029.8.36.53.24 refers, in relation to the acquisition of a recognized energy-efficient vehicle, is equal to

(a) if the vehicle is powered wholly or partly by gasoline and its weighted fuel consumption rating is at least 3 litres, or is powered wholly or partly by diesel fuel and its weighted fuel consumption rating is at least 2.58 litres,

i. \$2,000, if the vehicle is acquired in the calendar year 2009 or 2010, or

ii. \$1,500, if the vehicle is acquired in the calendar year 2011;

iii. *(subparagraph repealed)*;

iv. *(subparagraph repealed)*;

v. *(subparagraph repealed)*;

(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;

(b.1) if the vehicle is a rechargeable hybrid vehicle acquired after 17 March 2011,

i. \$8,000, if the vehicle is equipped with a battery with a capacity of 17 kilowatt-hours or more, or

ii. \$7,769, if the vehicle is equipped with a battery with a capacity of 16 kilowatt-hours;

(c) if the vehicle is a low-speed vehicle, \$4,000; and

(d) if the vehicle is a vehicle that does not use fuel as its source of energy, other than a low-speed vehicle, \$8,000.

History: 2010, c. 5, s. 157; 2011, c. 34, s. 91; 2012, c. 8, s. 217.

#### Credit amount for the long-term leasing of an energy-efficient vehicle.

**1029.8.36.53.26.** The amount to which the first paragraph of sections 1029.8.36.53.23 and 1029.8.36.53.24 refers, in relation to the long-term leasing of a recognized energy-efficient vehicle, is equal to the amount obtained by multiplying the amount that would be determined in accordance with any of paragraphs *a* to *d* of section 1029.8.36.53.25 in respect of the vehicle if it were acquired at the time at which it is leased, by

(a) 85%, if the leasing period is at least 72 months;

(b) 80%, if the leasing period is at least 60 months and less than 72 months;

(c) 70%, if the leasing period is at least 48 months and less than 60 months;

(d) 55%, if the leasing period is at least 36 months and less than 48 months;

(e) 40%, if the leasing period is at least 24 months and less than 36 months; and

(f) 25%, if the leasing period is less than 24 months.

History: 2010, c. 5, s. 157.

#### Vouchers.

**1029.8.36.53.27.** A qualifying person referred to in section 1029.8.36.53.23 or a partnership referred to in section 1029.8.36.53.24 shall keep the vouchers relating to the acquisition or leasing of a recognized energy-efficient vehicle during six years after the year to which they relate.

History: 2010, c. 5, s. 157.

**DIVISION II.6.5**  
**CREDIT FOR THE CONSTRUCTION OR**  
**CONVERSION OF VESSELS**

§1. — *Interpretation and general provisions*

**Definitions:**

**1029.8.36.54.** In this division,

**“apparent payment”;**

“apparent payment” means, except in sections 1029.8.36.55 and 1029.8.36.55.1, an amount paid or payable by a person or a partnership who or which, under the terms of a contract, carries out work or prepares plans and specifications for a qualified corporation, where the amount is paid or payable for the use of premises, facilities or equipment, or for the provision of services, and that may reasonably be considered to be included in a qualified construction expenditure or a qualified conversion expenditure;

**“construction expenditure”;**

“construction expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the aggregate of

(a) in respect of plans and specifications relating to the eligible vessel,

i. where the plans and specifications are, in whole or in part, prepared by the qualified corporation, the salaries or wages incurred in the year or in a preceding taxation year by the qualified corporation for the preparation, by its employees of an establishment of the corporation situated in Québec, of the plans and specifications,

ii. where the plans and specifications are, in whole or in part, prepared for the qualified corporation under the terms of a contract, by a person or partnership with whom or with which the qualified corporation is not dealing at arm’s length, the aggregate of all amounts each of which is the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages incurred by the person or partnership in the year or in a preceding taxation year for the preparation of the plans and specifications by its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees, and

iii. in any other case, the portion of the cost of a contract, incurred by the qualified corporation in the year or in a preceding taxation year, that may reasonably be attributed to work carried out in Québec for the preparation of the plans and specifications;

(b) where the construction of an eligible vessel is carried out in whole or in part by the qualified corporation, the salaries or wages, incurred in the year or in a preceding taxation year, of its employees of an establishment situated in Québec and that are attributable to the construction of the eligible vessel;

(c) where, under the terms of an eligible contract, a portion of the construction of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is not dealing at arm’s length at the time the contract is entered into, the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages that are attributable to the construction of the eligible vessel incurred by the person or partnership in the year or in a preceding year in respect of its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees; and

(d) where, under the terms of an eligible contract, a portion of the construction of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is dealing at arm’s length at the time the contract is entered into, one-half of the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation to the person or partnership under the terms of the contract, that may reasonably be attributed to construction work provided for in the contract carried out in the year or in a preceding year by the employees of an establishment of the person or partnership situated in Québec, or that could be so attributed if the person or partnership had such employees;

**“conversion expenditure”;**

“conversion expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the aggregate of

(a) in respect of plans and specifications relating to the eligible vessel,

i. where the plans and specifications are, in whole or in part, prepared by the qualified corporation, the salaries or wages incurred in the year or in a preceding taxation year by the qualified corporation for the preparation, by its employees of an establishment of the corporation situated in Québec, of the plans and specifications,

ii. where the plans and specifications are, in whole or in part, prepared for the qualified corporation, under the terms of a contract, by a person or partnership with whom or with which the qualified corporation is not dealing at arm’s length, the aggregate of all amounts each of which is the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages incurred by the person or partnership in the year or in a preceding taxation year for the preparation of the plans and specifications by its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees, and

iii. in any other case, the portion of the cost of a contract, incurred by the qualified corporation in the year or in a

preceding taxation year, that may reasonably be attributed to work carried out in Québec for the preparation of the plans and specifications;

(b) where the conversion of the eligible vessel is carried out in whole or in part by the qualified corporation, the salaries or wages, incurred in the year or in a preceding taxation year, of its employees of an establishment situated in Québec and that are attributable to the conversion of the eligible vessel;

(c) where, under the terms of an eligible contract, part of the conversion of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is not dealing at arm's length at the time the contract is entered into, the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation, under the terms of the contract, that may reasonably be attributed to the salaries or wages that are attributable to the conversion of the eligible vessel and incurred by the person or partnership in the year or in a preceding year in respect of its employees of an establishment situated in Québec, or that could be so attributed if the person or partnership had such employees; and

(d) where, under the terms of an eligible contract, part of the conversion of the eligible vessel is carried out for the qualified corporation by a person or partnership with whom or with which the qualified corporation is dealing at arm's length at the time the contract is entered into, one-half of the portion of the consideration paid in the year or in a preceding taxation year by the qualified corporation to the person or partnership, under the terms of the contract, that may reasonably be attributed to conversion work provided for in the contract and carried out in the year or in a preceding year by the employees of an establishment of the person or partnership situated in Québec, or that could be so attributed if the person or partnership had such employees;

**“eligible contract”;**

“eligible contract” means a contract in respect of which a qualification certificate has been issued by the Minister of Economy and Innovation, entered into by a qualified corporation with a person or partnership and under which the qualified corporation entrusts the person or partnership with the carrying out of work in Québec which is related to the construction or conversion of an eligible vessel by the qualified corporation;

**“eligible vessel”;**

“eligible vessel” of a qualified corporation means a vessel constructed or converted in Québec by the corporation under a project in respect of which the Minister of Economy and Innovation has issued a qualification certificate, for the purposes of this division, attesting that the vessel will be a prototype vessel, or the first, second or third vessel constructed or converted, as the case may be, as part of a production run;

**“factor specified”;**

“factor specified” in respect of an eligible vessel means,

(a) in relation to the portion of a qualified construction expenditure or a qualified conversion expenditure of a qualified corporation for a taxation year, that may reasonably be attributed to work carried out before 18 November 2000, any of the following factors:

i. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is a prototype vessel, 2,

ii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the first vessel constructed or converted as part of a production run, 8/3,

iii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the second vessel constructed or converted as part of a production run, 4, and

iv. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the third vessel constructed or converted as part of a production run, 8;

(b) in relation to the portion of a qualified construction expenditure or a qualified conversion expenditure of a qualified corporation for a taxation year, that may reasonably be attributed to work carried out after 17 November 2000 and before 13 June 2003, any of the following factors:

i. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is a prototype vessel, 2,

ii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the first vessel constructed or converted as part of a production run, 20/9,

iii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the second vessel constructed or converted as part of a production run, 5/2, and

iv. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the third vessel constructed or converted as part of a production run, 20/7;

(b.1) in relation to the portion of a qualified construction expenditure or a qualified conversion expenditure of a qualified corporation for a taxation year, that may reasonably be attributed to work carried out after 12 June 2003, any of the following factors:

i. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is a prototype vessel, 8/3,

ii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the first vessel constructed or converted as part of a production run, 80/27,

iii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the second vessel constructed or converted as part of a production run, 10/3, and

iv. where the qualification certificate issued by the Minister of Economy and Innovation attests that the eligible vessel is the third vessel constructed or converted as part of a production run, 80/21;

(c) (paragraph repealed);

(d) (paragraph repealed);

**“qualified construction expenditure”;**

“qualified construction expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the amount by which

(a) the aggregate of

i. the construction expenditure of the qualified corporation for the year in respect of the eligible vessel, and

ii. any amount paid by the qualified corporation, another person or a partnership, as the case may be, in the year or a preceding taxation year, pursuant to a legal obligation, as a repayment of assistance received by the qualified corporation, the other person or the partnership, to the extent that the assistance reduced, because of subparagraph *a* or *a.1* of the third paragraph, a construction expenditure of the qualified corporation in respect of the eligible vessel in the year or a preceding taxation year; exceeds

(b) in the case of an eligible vessel in respect of which the Minister of Economy and Innovation has issued a qualification certificate attesting that it is a prototype vessel and in respect of which work was carried out before 26 March 1997, the aggregate of

i. 250% of the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister under section 1029.8.36.55 by the qualified corporation, on account of its tax payable for a preceding taxation year, in respect of the portion of a qualified construction expenditure relating to the eligible vessel that may reasonably be attributed to work carried out before 26 March 1997, and

ii. 200% of the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister under section 1029.8.36.55 by the qualified corporation, on account of its tax payable for a preceding taxation year, in respect of the portion of a qualified construction expenditure relating to the eligible vessel that may reasonably be attributed to work carried out after 25 March 1997; and

(c) in the case of an eligible vessel other than a vessel referred to in paragraph *b*, the product obtained by multiplying the factor specified in respect of the eligible vessel by the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister under section 1029.8.36.55 by the qualified corporation, on account of its tax payable, in respect of the eligible vessel for a preceding taxation year;

**“qualified conversion expenditure”;**

“qualified conversion expenditure” of a qualified corporation for a taxation year in respect of an eligible vessel means the amount by which

(a) the aggregate of

i. the conversion expenditure of the qualified corporation for the year in respect of the eligible vessel, and

ii. any amount paid by the qualified corporation, another person or a partnership, as the case may be, in the year or a preceding taxation year, pursuant to a legal obligation, as a repayment of assistance received by the qualified corporation, the other person or the partnership, to the extent that the assistance reduced, because of subparagraph *a* or *a.1* of the third paragraph, a conversion expenditure of the qualified corporation in respect of the eligible vessel in the year or a preceding taxation year; exceeds

(b) the product obtained by multiplying the factor specified in respect of the eligible vessel by the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister under section 1029.8.36.55.1 by the qualified corporation, on account of its tax payable, in respect of an eligible vessel for a preceding taxation year;

**“qualified corporation”;**

“qualified corporation”, in respect of a taxation year, means a corporation that, in the year, carries on a shipbuilding business in Québec and has an establishment in Québec, and that is neither a corporation that is exempt from tax for the year under Book VIII nor a corporation that would be exempt from tax under section 985 but for section 192;

**“salary or wages”;**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III;

**“vessel”.**

“vessel” includes a semi-submersible rig stabilized by submerging pontoons and by anchoring.

**Application.**

For the purposes of paragraphs *b* and *c* of the definitions of “construction expenditure” and “conversion expenditure” in the first paragraph, the salaries or wages incurred by a person or a partnership in respect of an employee are attributable to the construction or conversion of an eligible vessel only where the employee works directly on the construction or conversion, as the case may be, of the vessel and only to the extent that the salaries or wages may reasonably be

considered to relate to the construction or conversion, as the case may be, of the vessel in view of the time spent thereon by the employee and, in that respect, an employee who spends 90% or more of working time on the construction or conversion, as the case may be, of an eligible vessel is deemed to spend all working time thereon.

#### Application.

For the purposes of the first paragraph,

(a) the amount of salaries or wages incurred, of a portion of the consideration paid or of a portion of the cost of a contract incurred, as the case may be, which relates to a construction expenditure or a conversion expenditure incurred by a qualified corporation for a taxation year in respect of an eligible vessel shall be reduced, where applicable, by the amount of any government assistance and non-government assistance attributable to those salaries or wages, to that portion of the consideration or to that portion of the cost of a contract, as the case may be, that the qualified corporation has received, is entitled to receive or may reasonably expect to receive on or before its filing-due date for that year;

(a.1) when referred to in subparagraph ii of paragraph *a* or paragraph *c* of the definition of “construction expenditure” or “conversion expenditure” in the first paragraph, the amount of a portion of a consideration paid in respect of a construction expenditure or a conversion expenditure of a qualified corporation for a taxation year in respect of an eligible vessel, is to be reduced, where applicable, by the amount of any government assistance or non-government assistance that is attributable to the salaries or wages incurred in respect of the employees of an establishment of a person or partnership situated in Québec that are referred to in that subparagraph ii or that paragraph *c*, or that would be so attributable if the person or partnership had such employees, and that the person or partnership has received, is entitled to receive or may reasonably expect to receive on or before the corporation’s filing-due date for that year;

(b) an amount incurred or paid in a taxation year which relates to the activities or work to be carried out in a subsequent taxation year is deemed not to have been incurred or paid in that year but to have been incurred or paid in the subsequent year during which the activities or work to which the amount relates are carried out; and

(c) the amount of a qualified construction expenditure or a qualified conversion expenditure of a qualified corporation for a taxation year in respect of an eligible vessel shall be reduced by the amount of any apparent payment attributable to that expenditure, which the qualified corporation or a person with whom the qualified corporation is not dealing at arm’s length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation’s filing-due date for that year.

#### Deemed repayment of assistance.

For the purposes of subparagraph ii of paragraph *a* of the definitions of “qualified construction expenditure” and “qualified conversion expenditure” in the first paragraph, an amount of assistance received by a qualified corporation, a person or a partnership, as the case may be, is deemed to be repaid by the qualified corporation, person or partnership in a taxation year, pursuant to a legal obligation, if that amount

(a) reduced, because of subparagraph *a* or *a.1* of the third paragraph, the amount of the salaries or wages incurred, of a portion of a consideration paid or of a portion of the cost of a contract incurred, as the case may be, in respect of a construction expenditure or a conversion expenditure of a qualified corporation, for the purpose of computing the amount the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.55 or 1029.8.36.55.1;

(b) was not received by the qualified corporation, the other person or the partnership; and

(c) ceased in the taxation year to be an amount that the qualified corporation, the other person or the partnership may reasonably expect to receive.

History: 1997, c. 14, s. 234; 1997, c. 31, s. 143; 1997, c. 85, s. 259; 1999, c. 8, s. 20; 1999, c. 83, s. 212; 2000, c. 5, s. 265; 2001, c. 7, s. 169; 2001, c. 51, s. 180; 2002, c. 9, s. 86; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 353; 2006, c. 8, s. 31; 2007, c. 12, s. 185; 2009, c. 15, s. 271; 2009, c. 14, s. 356; 2019, c. 29, s. 1.

#### §2. — Credit

##### Credit for the construction of vessels.

**1029.8.36.55.** A qualified corporation that, in a taxation year, constructs in Québec an eligible vessel and encloses with its fiscal return it is required to file for the year under section 1000 a copy of the qualification certificate issued to it by the Minister of Economy and Innovation, in respect of the eligible vessel, attesting that the eligible vessel is a prototype vessel or is the first, second or third vessel constructed as part of a production run, and the prescribed form containing the prescribed information, is deemed, subject to the fourth paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, the lesser of

(a) an amount equal, in respect of the eligible vessel

i. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, to the aggregate of

(1) 40% of the portion of the qualified construction expenditure for the year in respect of the eligible vessel that

may reasonably be attributed to work carried out before 26 March 1997,

(2) 50% of the portion of the qualified construction expenditure for the year in respect of the eligible vessel that may reasonably be attributed to work carried out after 25 March 1997 and before 13 June 2003, and

(3) 37.5% of the portion of the qualified construction expenditure for the year in respect of the eligible vessel that may reasonably be attributed to work carried out after 12 June 2003,

ii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel constructed as part of a production run, to an amount that is the product obtained by multiplying the portion of the qualified construction expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out before 18 November 2000 by

(1) where the eligible vessel is the first vessel constructed as part of a production run, 37.5%,

(2) where the eligible vessel is the second vessel constructed as part of a production run, 25%, and

(3) where the eligible vessel is the third vessel constructed as part of a production run, 12.5%,

iii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel constructed as part of a production run, to an amount that is the product obtained by multiplying the portion of the qualified construction expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out after 17 November 2000 and before 13 June 2003, by

(1) where the eligible vessel is the first vessel constructed as part of a production run, 45%,

(2) where the eligible vessel is the second vessel constructed as part of a production run, 40%, and

(3) where the eligible vessel is the third vessel constructed as part of a production run, 35%, and

iv. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel constructed as part of a production run, to an amount that is the product obtained by multiplying the portion of the qualified construction expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out after 12 June 2003, by,

(1) where the eligible vessel is the first vessel constructed as part of a production run, 33.75%,

(2) where the eligible vessel is the second vessel constructed as part of a production run, 30%, and

(3) where the eligible vessel is the third vessel constructed as part of a production run, 26.25%; and

(b) the amount by which the aggregate of the following amounts exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister, under this section, by the qualified corporation in respect of the eligible vessel for a preceding taxation year:

i. the product obtained by multiplying the portion of the cost of construction of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out before 18 November 2000, by

(1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 20%,

(2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel constructed as part of a production run, 15%,

(3) where the qualification certificate issued by the Minister of attests that the vessel is the second vessel constructed as part of a production run, 10%, and

(4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel constructed as part of a production run, 5%,

ii. the product obtained by multiplying the portion of the cost of construction of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out after 17 November 2000 and before 13 June 2003, by

(1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 25%,

(2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel constructed as part of a production run, 22.5%,

(3) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the second vessel constructed as part of a production run, 20%, and

(4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel constructed as part of a production run, 17.5%, and

iii. the product obtained by multiplying the portion of the cost of construction of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out after 12 June 2003, by,

(1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 18.75%,

(2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel constructed as part of a production run, 16.875%,

(3) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the second vessel constructed as part of a production run, 15%, and

(4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel constructed as part of a production run, 13.125%.

#### **Cost of construction.**

For the purposes of subparagraph *b* of the first paragraph, the cost of construction, at the end of a taxation year, of an eligible vessel of a qualified corporation is equal to the aggregate of

(a) the amount by which the portion of the cost to the qualified corporation of construction of the eligible vessel incurred at the end of the year exceeds the aggregate of all amounts each of which is

i. government assistance or non-government assistance attributable to the cost of construction that the qualified corporation or a person or partnership with whom or with which the qualified corporation is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for that year, or

ii. an apparent payment, attributable to the cost of construction, that the qualified corporation or a person with whom it is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for that year; and

(b) any repayment made by the qualified corporation, the person or the partnership in the year or a preceding taxation year, pursuant to a legal obligation, of assistance described in subparagraph *a* in respect of the eligible vessel.

#### **Meaning of "apparent payment".**

For the purposes of subparagraph *a* of the second paragraph, "apparent payment" means an amount paid or payable by a person who, for the construction of an eligible vessel of a

qualified corporation, carries out work or prepares plans and specifications for the qualified corporation, where the amount is paid or payable for the use of premises, facilities or equipment, or for the provision of services, and that may reasonably be considered to be included in the cost of construction of the eligible vessel.

#### **Computation of payments.**

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 1997, c. 14, s. 234; 1997, c. 31, s. 143; 1997, c. 85, s. 260; 1999, c. 8, s. 20; 1999, c. 83, s. 213; 2001, c. 7, s. 169; 2001, c. 51, s. 228; 2001, c. 53, s. 260; 2002, c. 9, s. 87; 2003, c. 9, s. 280; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 354; 2006, c. 8, s. 31; 2007, c. 12, s. 186; 2019, c. 29, s. 1.

#### **Credit for the conversion of vessels.**

**1029.8.36.55.1.** A qualified corporation that, in a taxation year, converts in Québec an eligible vessel and encloses with its fiscal return it is required to file for the year under section 1000 a copy of the qualification certificate issued to it by the Minister of Economy and Innovation, in respect of the eligible vessel, attesting that the eligible vessel is a prototype vessel or is the first, second or third vessel converted as part of a production run, and the prescribed form containing the prescribed information, is deemed, subject to the fourth paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, the lesser of

(a) an amount equal to, in respect of the eligible vessel,

- i. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, to the aggregate of
- (1) 50% of the portion of the qualified conversion expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out before 13 June 2003, and
  - (2) 37.5% of the portion of the qualified construction expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out after 12 June 2003,
- ii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel converted as part of a production run, to the amount that is the product obtained by multiplying the portion of the qualified conversion expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out before 18 November 2000, by
- (1) where the eligible vessel is the first vessel converted as part of a production run, 37.5%,
  - (2) where the eligible vessel is the second vessel converted as part of a production run, 25%, and
  - (3) where the eligible vessel is the third vessel converted as part of a production run, 12.5%,
- iii. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel converted as part of a production run, to the amount that is the product obtained by multiplying the portion of the qualified conversion expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out after 17 November 2000 and before 13 June 2003, by
- (1) where the eligible vessel is the first vessel converted as part of a production run, 45%,
  - (2) where the eligible vessel is the second vessel converted as part of a production run, 40%, and
  - (3) where the eligible vessel is the third vessel converted as part of a production run, 35%, and
- iv. where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first, second or third vessel converted as part of a production run, to the amount that is the product obtained by multiplying the portion of the qualified conversion expenditure for the year of the qualified corporation in respect of the eligible vessel that may reasonably be attributed to work carried out after 12 June 2003, by
- (1) where the eligible vessel is the first vessel converted as part of a production run, 33.75%,
  - (2) where the eligible vessel is the second vessel converted as part of a production run, 30%, and
  - (3) where the eligible vessel is the third vessel converted as part of a production run, 26.25%; and
- (b) the amount by which the aggregate of the following amounts exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister, under this section, by the qualified corporation in respect of the eligible vessel for a preceding taxation year:
- i. the product obtained by multiplying the portion of the cost of conversion of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out before 18 November 2000, by
- (1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 20%,
  - (2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel converted as part of a production run, 15%,
  - (3) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the second vessel converted as part of a production run, 10%, and
  - (4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel converted as part of a production run, 5%,
- ii. the product obtained by multiplying the portion of the cost of conversion of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out after 17 November 2000 and before 13 June 2003, by
- (1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 25%,
  - (2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel converted as part of a production run, 22.5%,
  - (3) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the second vessel converted as part of a production run, 20%, and



(4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel converted as part of a production run, 17.5%, and

iii. the product obtained by multiplying the portion of the cost of conversion of the eligible vessel to the qualified corporation incurred at the end of the year that may reasonably be attributed to work carried out after 12 June 2003, by

(1) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is a prototype vessel, 18.75%,

(2) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the first vessel converted as part of a production run, 16.875%,

(3) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the second vessel converted as part of a production run, 15%, and

(4) where the qualification certificate issued by the Minister of Economy and Innovation attests that the vessel is the third vessel converted as part of a production run, 13.125%.

**Cost of conversion.**

For the purposes of subparagraph *b* of the first paragraph, the cost of conversion, at the end of a taxation year, of an eligible vessel of a qualified corporation is equal to the aggregate of

(a) the amount by which the portion of the cost to the qualified corporation of conversion of the eligible vessel incurred at the end of the year exceeds the aggregate of all amounts each of which is

i. government assistance or non-government assistance attributable to the cost of conversion that the qualified corporation or a person or partnership with whom or with which the qualified corporation is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for that year, or

ii. an apparent payment, attributable to the cost of conversion, that the qualified corporation or a person with whom it is not dealing at arm's length has received, is entitled to receive or may reasonably expect to receive on or before the qualified corporation's filing-due date for that year; and

(b) any repayment made by the qualified corporation, the person or the partnership in the year or a preceding taxation year, pursuant to a legal obligation, of assistance described in subparagraph *a* in respect of the eligible vessel.

**Meaning of "apparent payment".**

For the purposes of subparagraph *a* of the second paragraph, "apparent payment" means an amount paid or payable by a person who, for the conversion of an eligible vessel of a qualified corporation, carries out work or prepares plans and specifications for the qualified corporation, where the amount is paid or payable for the use of premises, facilities or equipment, or for the provision of services, and that may reasonably be considered to be included in the cost of conversion of the eligible vessel.

**Computation of payments.**

For the purpose of computing the payments that a corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 1999, c. 83, s. 214; 2001, c. 7, s. 169; 2001, c. 51, s. 228; 2001, c. 53, s. 260; 2002, c. 9, s. 88; 2003, c. 9, s. 281; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 355; 2006, c. 8, s. 31; 2007, c. 12, s. 187; 2019, c. 29, s. 1.

**Revoked qualification certificate.**

**1029.8.36.56.** Subject to sections 1010 to 1011, for the purposes of this division, where the Minister of Economy and Innovation revokes a qualification certificate that was issued to a qualified corporation, the following rules apply:

(a) (*paragraph repealed*);

(b) no amount may be deemed to have been paid to the Minister by the qualified corporation under section 1029.8.36.55 in respect of an expenditure that would, but for this subparagraph, be a construction expenditure included in a qualified construction expenditure of the qualified corporation in respect of an eligible vessel of the

corporation in respect of which a qualification certificate was issued by the Minister of Economy and Innovation if,

i. where the expenditure is referred to in any of paragraphs *b* to *d* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54, the expenditure was incurred before the date indicated to that effect on the qualification certificate,

ii. where the expenditure was incurred after the date of issue of the qualification certificate and is referred to in subparagraph i or ii of paragraph *a* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *b* or *c* of that definition, the qualification certificate was not valid at the time the salaries or wages were incurred, or

iii. where the expenditure was incurred after the date of issue of the qualification certificate and is referred to in subparagraph iii of paragraph *a* of the definition of “construction expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *d* of that definition, the qualification certificate was not valid at the time the work was carried out;

(c) no amount may be deemed to have been paid to the Minister by the qualified corporation under section 1029.8.36.55.1 in respect of an expenditure that would, but for this subparagraph, be a conversion expenditure included in a qualified conversion expenditure of the qualified corporation in respect of an eligible vessel of the corporation in respect of which a qualification certificate was issued by the Minister of Economy and Innovation if,

i. where the expenditure is referred to in any of paragraphs *b* to *d* of the definition of “conversion expenditure” in the first paragraph of section 1029.8.36.54, the expenditure was incurred before the date indicated to that effect on the qualification certificate,

ii. where the expenditure was incurred after the date of issue of the qualification certificate and is referred to in subparagraph i or ii of paragraph *a* of the definition of “conversion expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *b* or *c* of that definition, the qualification certificate was not valid at the time the salaries or wages were incurred, or

iii. where the expenditure was incurred after the date of issue of the qualification certificate and is referred to in subparagraph iii of paragraph *a* of the definition of “conversion expenditure” in the first paragraph of section 1029.8.36.54 or in paragraph *d* of that definition, the qualification certificate was not valid at the time the work was carried out.

History: 1997, c. 14, s. 234; 1999, c. 8, s. 20; 1999, c. 83, s. 215; 2001, c. 51, s. 181; 2003, c. 29, s. 135; O.C. 222-2004; 2006, c. 8, s. 31; 2007, c. 12, s. 188; 2012, c. 8, s. 218; 2019, c. 29, s. 1.

#### Rules applicable.

**1029.8.36.57.** For the purposes of this division, the qualified construction expenditure or qualified conversion expenditure of a qualified corporation in respect of an eligible vessel and the cost of construction or cost of conversion, as the case may be, to the corporation of that vessel shall be reduced by the amount of the consideration for the disposition of property, or for the provision of a service, to the qualified corporation or a person with whom the qualified corporation does not deal at arm’s length, except to the extent that the consideration may reasonably be considered to relate to property resulting from work, or to services, related to the construction or conversion, as the case may be, of the eligible vessel or to property or part of a property consumed in connection with such work or services.

History: 1997, c. 14, s. 234; 1999, c. 83, s. 216.

#### Reduction of the expenditure.

**1029.8.36.58.** If, in respect of the construction or conversion of an eligible vessel, a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the preparation of the plans and specifications relating to the vessel or to construction work or conversion work in respect of the vessel, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the amount of the salaries or wages incurred, of a portion of a consideration paid or of a portion of the cost of a contract incurred, as the case may be, in respect of the construction expenditure or of the conversion expenditure of a qualified corporation for a taxation year, in respect of the eligible vessel, and the cost of construction or cost of conversion, as the case may be, to the corporation of that eligible vessel for that year, are, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for that year under section 1029.8.36.55 or 1029.8.36.55.1, to be reduced by the amount of the benefit or advantage attributable to the salaries or wages, to the portion of a consideration or to the portion of the cost of a contract, as the case may be, and to the cost of construction or cost of conversion, as the case may be, that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation’s filing-due date for that year.

History: 1997, c. 14, s. 234; 1997, c. 31, s. 143; 1999, c. 83, s. 216; 2006, c. 36, s. 151; 2007, c. 12, s. 189.

#### **1029.8.36.59.** (*Repealed*).

History: 1997, c. 14, s. 234; 1999, c. 83, s. 216; 2015, c. 21, s. 452.

**DIVISION II.6.5.1**  
(Repealed).

**1029.8.36.59.1.** (Repealed).

History: 2000, c. 39, s. 181; 2001, c. 51, s. 228; 2005, c. 23, s. 188; 2010, c. 25, s. 138.

**1029.8.36.59.2.** (Repealed).

History: 2000, c. 39, s. 181; 2003, c. 9, s. 282; 2004, c. 21, s. 356; 2010, c. 25, s. 138.

**1029.8.36.59.3.** (Repealed).

History: 2000, c. 39, s. 181; 2003, c. 9, s. 283; 2004, c. 21, s. 357; 2009, c. 15, s. 272; 2010, c. 25, s. 138.

**1029.8.36.59.4.** (Repealed).

History: 2000, c. 39, s. 181; 2009, c. 15, s. 273; 2010, c. 25, s. 138.

**1029.8.36.59.5.** (Repealed).

History: 2000, c. 39, s. 181; 2002, c. 40, s. 166; 2005, c. 23, s. 189; 2010, c. 25, s. 138.

**1029.8.36.59.6.** (Repealed).

History: 2000, c. 39, s. 181; 2002, c. 40, s. 167; 2005, c. 23, s. 190; 2006, c. 36, s. 152; 2010, c. 25, s. 138.

**1029.8.36.59.7.** (Repealed).

History: 2000, c. 39, s. 181; 2002, c. 40, s. 168; 2005, c. 23, s. 191; 2006, c. 36, s. 153; 2010, c. 25, s. 138.

**1029.8.36.59.8.** (Repealed).

History: 2000, c. 39, s. 181; 2010, c. 25, s. 138.

**DIVISION II.6.5.2**  
CREDIT TO PROMOTE THE MODERNIZATION  
OF THE TAXI FLEET USED IN THE TAXI  
INDUSTRY

**Definitions:**

**1029.8.36.59.9.** In this division,

**“eligibility date”;**

“eligibility date” means, in relation to an eligible vehicle of an eligible taxpayer, the later of

(a) the date on which the eligible taxpayer registers the eligible vehicle as a taxi; and

(b) 1 January 2001;

**“eligibility period”;**

“eligibility period” in relation to an eligible vehicle of an eligible taxpayer means the period that begins on the eligibility date and that ends on the earliest of

(a) the day that is five years after the day on which the eligible vehicle was first registered as a road vehicle;

(b) the day on which the eligible taxpayer ceases to register the eligible vehicle as a taxi; and

(c) 31 December 2010;

**“eligible taxpayer”;**

“eligible taxpayer”, for a taxation year, means a taxpayer who, in the portion, of the eligibility period relating to an eligible vehicle of the taxpayer, is the holder of a taxi owner’s permit to which that eligible vehicle is attached;

**“eligible vehicle”;**

“eligible vehicle” of an eligible taxpayer means, at a particular time in a taxation year, a motor vehicle that

(a) was first registered as a road vehicle on a date that precedes the eligibility date by no more than five years;

(b) is acquired or leased by the eligible taxpayer before 1 January 2006; and

(c) is registered as a taxi at the particular time;

**“holder”;**

“holder” of a taxi owner’s permit means the person in whose name the taxi owner’s permit is issued or, where such a permit is issued in the name of two or more persons, the person among them whom they designate;

**“taxi owner’s permit”;**

“taxi owner’s permit” means such a permit referred to in the Act respecting transportation services by taxi (chapter S-6.01), including a limousine permit or other specialized taxi permit referred to in that Act.

**Motor vehicle registered outside Québec.**

Subject to the third paragraph, for the purposes of the definitions of “eligibility period” and “eligible vehicle” in the first paragraph, a motor vehicle that was first registered as a road vehicle outside Québec is deemed to have been first registered as a road vehicle on the date that is the earlier of

(a) the date on which the motor vehicle was first registered in Québec; and

(b) 1 January of the model year of the motor vehicle.

**Exception.**

The second paragraph does not apply where the eligible taxpayer files with the Minister a document issued by a competent government authority showing the date on which the motor vehicle was first registered as a road vehicle outside Québec.

History: 2003, c. 9, s. 284.

**Credit.**

**1029.8.36.59.10.** An eligible taxpayer who, for a taxation year, holds an information return issued by the

Société de l'assurance automobile du Québec in respect of a taxi owner's permit of which the taxpayer is the holder in the year and who applies therefor in the fiscal return the taxpayer is required to file for the year under section 1000, or would be so required to file if the taxpayer had tax payable for the year under this Part, is deemed, subject to the second paragraph, to have paid to the Minister on the taxpayer's balance-due day for the year, for each such permit in respect of which the taxpayer holds such an information return, an amount equal to the product obtained by multiplying \$500 by the proportion, which may not exceed 1, that the number of days in the portion, in the year, of the eligibility period relating to an eligible vehicle of the eligible taxpayer is of 365.

#### Computation of payments.

For the purpose of computing the payments that an eligible taxpayer is required to make under section 1025 or 1026, subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the taxpayer is deemed to have paid to the Minister, on account of the aggregate of the taxpayer's tax payable for the year under this Part and of the taxpayer's tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2003, c. 9, s. 284.

#### Credit deemed not to be assistance.

**1029.8.36.59.11.** For the purposes of this Part and the regulations, the amount that an eligible taxpayer is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.10 is deemed not to be assistance or an inducement received by the taxpayer from a government.

History: 2003, c. 9, s. 284.

#### DIVISION II.6.5.3

### CREDIT FOR THE CONSTRUCTION AND MAJOR REPAIR OF PUBLIC ACCESS ROADS AND BRIDGES IN FOREST AREAS

#### §1. — *Definitions and general*

##### Definitions:

**1029.8.36.59.12.** In this division,

**“annual forest management plan”;**

“annual forest management plan” means a plan referred to in section 59 of the Forest Act (chapter F-4.1);

**“eligible access road or bridge”;**

“eligible access road or bridge” of a corporation or partnership means an access road or bridge in respect of which the Minister of Natural Resources and Wildlife issues a qualification certificate for the purposes of this division to the corporation or partnership;

**“eligible construction and major repair work”;**

“eligible construction and major repair work” means

(a) in respect of the construction of an access road, the impact assessments, localization, plans and specifications, clearing, grubbing, shaping, filling, drilling and blasting, subbase course, snow removal, signalization, culverts and supervision;

(b) in respect of the construction of a bridge, the impact assessments, geotechnical studies, localization, plans and specifications, foundation unit, superstructure, deck, approach fill, drilling and blasting, signalization and supervision; and

(c) major repair work on an eligible access road or bridge;

**“eligible construction work”;**

“eligible construction work” means

(a) in respect of the construction of an access road, the impact assessments, localization, plans and specifications, clearing, grubbing, shaping, filling, drilling and blasting, subbase course, snow removal, signalization, culverts and supervision; or

(b) in respect of the construction of a bridge, the impact assessments, geotechnical studies, localization, plans and specifications, foundation unit, superstructure, deck, approach fill, drilling and blasting, signalization and supervision;

**“eligible expenses”;**

“eligible expenses” of a corporation for a taxation year or of a partnership for a fiscal period, in respect of an eligible access road or bridge of the corporation or partnership, means

(a) expenses incurred by the corporation in the year or by the partnership in the fiscal period, that are directly attributable to eligible construction work of the eligible access road or bridge, if

i. the expenses are incurred in any of the following periods:

(1) after 11 March 2003 and before 12 June 2003, or

(2) after 11 June 2003 and before 1 January 2004, if the expenses are incurred in accordance with an annual forest management plan submitted to the Minister of Natural Resources, Wildlife and Parks before 12 June 2003 and the construction of the eligible access road or bridge began before 12 June 2003, and

ii. the expenses consist of

(1) wages paid to an employee of the corporation or partnership in consideration for services rendered by the employee in connection with the carrying out of eligible construction work of the eligible access road or bridge,

(2) an expense relating to the cost of the property that is consumed in connection with the carrying out, by the corporation or partnership, of eligible construction work of the eligible access road or bridge, or

(3) the portion of the consideration paid to a person or partnership under a contract that may reasonably be attributed to eligible construction work of the eligible access road or bridge carried out on behalf of the corporation or partnership; and

(b) expenses incurred by the corporation in the year or by the partnership in the fiscal period, that are directly attributable to eligible construction and major repair work of the eligible access road or bridge, if

i. the expenses are incurred after 23 March 2006 and before 1 April 2013 in accordance with an annual forest management plan approved by the Minister of Natural Resources and Wildlife or a special forest management plan implemented by that Minister,

ii. the expenses consist of

(1) wages paid to an employee of the corporation or partnership in consideration for services rendered by the employee in connection with the carrying out of eligible construction and major repair work of the eligible access road or bridge,

(2) an expense relating to the cost of the property that is consumed in connection with the carrying out, by the corporation or partnership, of eligible construction and major repair work of the eligible access road or bridge, or

(3) the portion of the consideration paid to a person or partnership under a contract that may reasonably be attributed to eligible construction and major repair work of the eligible access road or bridge carried out on behalf of the corporation or partnership, and

iii. the expenses are not expenses incurred for the preventive or routine maintenance of an existing access road or bridge;

**“forest management agreement”;**

“forest management agreement” means an agreement referred to in section 84.1 of the Forest Act;

**“forest management contract”;**

“forest management contract” means a contract referred to in section 102 of the Forest Act;

**“qualified corporation”;**

“qualified corporation” for a taxation year means a corporation that, in the year, carries on a business in Québec and has an establishment in Québec, other than a corporation

(a) that is exempt from tax for the year under Book VIII; or

(b) that would be exempt from tax for the year under section 985, but for section 192;

**“qualified partnership”;**

“qualified partnership” for a fiscal period means a partnership that, in the fiscal period, carries on a business in Québec and has an establishment in Québec;

**“special forest management plan”;**

“special forest management plan” means a plan referred to in section 79 of the Forest Act;

**“timber supply and forest management agreement”;**

“timber supply and forest management agreement” means an agreement referred to in section 36 of the Forest Act;

**“wages”.**

“wages” means the income computed under Chapters I and II of Title II of Book III.

History: 2005, c. 1, s. 244; 2006, c. 3, s. 35; 2006, c. 36, s. 155; 2009, c. 15, s. 274; 2011, c. 1, s. 72.

**Expenses deemed to be incurred later.**

**1029.8.36.59.12.1.** For the purposes of subparagraph i of paragraph b of the definition of “eligible expenses” in section 1029.8.36.59.12 and of section 1029.8.36.59.14.1, the following rules apply:

(a) if expenses incurred in a calendar year are reasonably attributable to the carrying out of eligible construction and major repair work in a subsequent calendar year, the expenses are deemed to be incurred in the subsequent calendar year; and

(b) if expenses incurred or deemed to be incurred in the calendar year 2013 are reasonably attributable to the carrying out of eligible construction and major repair work after 31 March 2013, the expenses are deemed to be incurred after 31 March 2013.

History: 2011, c. 1, s. 73.

§2. — *Credits***Qualified corporation.**

**1029.8.36.59.13.** A qualified corporation for a taxation year that entered into a forest management agreement, a timber supply and forest management agreement or a forest management contract with the Minister of Natural Resources and Wildlife, is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year on account of its tax payable for the year under this Part, an amount equal to the result obtained by applying the percentage specified in section 1029.8.36.59.14.1 to its eligible expenses for the year in respect of an eligible access road or bridge, to the extent that the expenses are paid, if it encloses, with the fiscal return it is required to file for the year under section 1000,

(a) the prescribed form containing the prescribed information; and

(b) a copy of the certificate issued to the corporation in relation to the eligible access road or bridge.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2005, c. 1, s. 244; 2006, c. 3, s. 35; 2006, c. 36, s. 156; 2011, c. 1, s. 74; 2012, c. 8, s. 219.

**Deemed payment of tax.**

**1029.8.36.59.14.** A qualified corporation for a taxation year, that is a member of a qualified partnership at the end of a fiscal period of the partnership that ends in the year, is deemed, subject to the second paragraph, to have paid to the

Minister on the qualified corporation's balance-due day for the year on account of its tax payable for the year, an amount equal to the result obtained by applying the percentage specified in section 1029.8.36.59.14.1 to its share of the eligible expenses of the partnership for the fiscal period in respect of an eligible access road or bridge, to the extent that the expenses are paid, if the partnership entered into a forest management agreement, a timber supply and forest management agreement or a forest management contract with the Minister of Natural Resources and Wildlife and if the corporation encloses, with the fiscal return it is required to file for the year under section 1000,

(a) the prescribed form containing the prescribed information; and

(b) a copy of the certificate issued to the partnership in relation to the eligible access road or bridge.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Qualified corporation's share.**

For the purposes of the first paragraph, a qualified corporation's share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership's fiscal period.

History: 2005, c. 1, s. 244; 2006, c. 3, s. 35; 2006, c. 36, s. 157; 2009, c. 15, s. 275; 2011, c. 1, s. 74; 2012, c. 8, s. 220.

**Specified percentage.**

**1029.8.36.59.14.1.** The specified percentage that applies to eligible expenses and to which the first paragraph of sections 1029.8.36.59.13 and 1029.8.36.59.14 refers is

(a) 90%, if the eligible expenses are incurred in the calendar year 2010;

(b) 80%, if the eligible expenses are incurred in the calendar year 2011;

(c) 70%, if the eligible expenses are incurred in the calendar year 2012; or

(d) 60%, if the eligible expenses are incurred after 31 December 2012 and before 1 April 2013.

History: 2011, c. 1, s. 75.

**Deemed payment.**

**1029.8.36.59.14.2.** For the purposes of this division, no amount may be deemed to have been paid to the Minister by a corporation under section 1029.8.36.59.13 or 1029.8.36.59.14, in relation to expenses incurred by the corporation or by a partnership of which the corporation is a member, in respect of an access road or a bridge for which a certificate was issued for the purposes of this division if the expenses were incurred before the beginning, or after the end, of the period for which the certificate was issued.

History: 2015, c. 21, s. 453.

§3. — *Government assistance, non-government assistance and other particulars*

**Rules applicable.**

**1029.8.36.59.15.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under section 1029.8.36.59.13 or 1029.8.36.59.14, the following rules apply:

(a) the amount of the eligible expenses referred to in the first paragraph of section 1029.8.36.59.13 shall be reduced, where applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for the year; and

(b) the corporation's share of the eligible expenses of a qualified partnership, referred to in the first paragraph of section 1029.8.36.59.14 for a fiscal period of the partnership that ends in the taxation year, shall be reduced, where applicable,

i. by the corporation's share, for the fiscal period, of any amount of government assistance or non-government

assistance attributable to the expenses that the partnership has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance attributable to the expenses that the qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before the day that is six months after the end of the fiscal period.

**Qualified corporation's share.**

For the purposes of subparagraph i of subparagraph b of the first paragraph, a qualified corporation's share of an amount for a fiscal period of a qualified partnership is equal to the agreed proportion of the amount in respect of the qualified corporation for the partnership's fiscal period.

History: 2005, c. 1, s. 244; 2007, c. 12, s. 190; 2009, c. 15, s. 276.

**Repayment of assistance by a corporation.**

**1029.8.36.59.16.** Where a corporation pays, in a taxation year, in this section referred to as the "repayment year", pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph a of the first paragraph of section 1029.8.36.59.15, eligible expenses of the corporation, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.59.13 in respect of the expenses, for a particular taxation year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister under section 1029.8.36.59.13 for the particular year, in respect of the expenses, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in subparagraph a of the first paragraph of section 1029.8.36.59.15, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.13 in respect of the expenses; and

(b) any amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of repayment of that assistance.

History: 2005, c. 1, s. 244; 2006, c. 36, s. 158.

**Repayment of assistance by a partnership.**

**1029.8.36.59.17.** Where a partnership pays, in a fiscal period, in this section referred to as the “fiscal period of repayment”, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.59.15, a corporation’s share of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.14, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.59.14 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.14, for its taxation year in which the particular fiscal period ends, in respect of the eligible expenses of the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**Computation of amount.**

The particular amount to which the first paragraph refers shall be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.59.15; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2005, c. 1, s. 244; 2006, c. 36, s. 159; 2009, c. 15, s. 277.

**Repayment of assistance by a corporation that is a member of a partnership.**

**1029.8.36.59.18.** Where a corporation is a member of a partnership at the end of a fiscal period of the partnership, in this section referred to as the “fiscal period of repayment”, and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph b of the first paragraph of section 1029.8.36.59.15, its share of the eligible expenses of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.14, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing the prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, subject to the second paragraph, to have paid to the Minister under section 1029.8.36.59.14 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.14 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

**Computation of amount.**

The particular amount to which the first paragraph refers shall be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of



subparagraph *b* of the first paragraph of section 1029.8.36.59.15; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2005, c. 1, s. 244; 2006, c. 36, s. 160; 2009, c. 15, s. 278.

#### Deemed repayment of assistance.

**1029.8.36.59.19.** For the purposes of sections 1029.8.36.59.16 to 1029.8.36.59.18, an amount of assistance is deemed to be repaid, at a particular time, by a corporation or partnership, pursuant to a legal obligation, where that amount

(*a*) reduced, because of section 1029.8.36.59.15, eligible expenses or the share of such expenses of a corporation that is a member of the partnership, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.13 or 1029.8.36.59.14;

(*b*) was not received by the corporation or partnership; and

(*c*) ceased at the particular time to be an amount that the corporation or partnership may reasonably expect to receive.

History: 2005, c. 1, s. 244.

#### Reduction of eligible expenses.

**1029.8.36.59.20.** If, in respect of eligible expenses of a qualified corporation or a qualified partnership, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to eligible construction work or eligible construction and major repair work, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(*a*) for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.13, the amount of the eligible expenses referred to in the first paragraph of section 1029.8.36.59.13 shall be reduced by the amount of the benefit or advantage relating to the eligible expenses that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the filing-due date of the qualified corporation for the taxation year; and

(*b*) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.59.14 by a qualified corporation that is a member of the qualified partnership referred to in that section, the share, referred to in the first paragraph of

section 1029.8.36.59.14, of the qualified corporation, for a fiscal period of the partnership that ends in the taxation year, of the amount of the eligible expenses, shall be reduced

i. by its share, for the fiscal period, of the amount of the benefit or advantage relating to the eligible expenses that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage relating to the eligible expenses that the qualified corporation or a person with which it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

#### Qualified corporation's share.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the share, for a fiscal period of a qualified partnership, of a qualified corporation that is a member of the qualified partnership of the amount of the benefit or advantage that the partnership, or a person referred to in that subparagraph i, has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the qualified corporation for the fiscal period.

History: 2005, c. 1, s. 244; 2006, c. 36, s. 161; 2009, c. 15, s. 279.

#### DIVISION II.6.5.4

*(Repealed)*.

§1. — *(Repealed)*.

**1029.8.36.59.21.** *(Repealed)*.

History: 2005, c. 1, s. 244; 2005, c. 24, s. 51; 2005, c. 28, s. 195; 2006, c. 13, s. 150; 2010, c. 25, s. 139.

**1029.8.36.59.22.** *(Repealed)*.

History: 2005, c. 1, s. 244; 2005, c. 23, s. 192; 2009, c. 15, s. 280; 2010, c. 25, s. 139.

**1029.8.36.59.23.** *(Repealed)*.

History: 2005, c. 1, s. 244; 2010, c. 25, s. 139.

§2. — *(Repealed)*.

**1029.8.36.59.24.** *(Repealed)*.

History: 2005, c. 1, s. 244; 2010, c. 25, s. 139.

**1029.8.36.59.25.** *(Repealed)*.

History: 2005, c. 1, s. 244; 2009, c. 15, s. 281; 2010, c. 25, s. 139.

§3. — (Repealed).

**1029.8.36.59.26.** (Repealed).

History: 2005, c. 1, s. 244; 2009, c. 15, s. 282; 2010, c. 25, s. 139.

**1029.8.36.59.27.** (Repealed).

History: 2005, c. 1, s. 244; 2006, c. 36, s. 162; 2010, c. 25, s. 139.

**1029.8.36.59.28.** (Repealed).

History: 2005, c. 1, s. 244; 2006, c. 36, s. 163; 2009, c. 15, s. 283; 2010, c. 25, s. 139.

**1029.8.36.59.29.** (Repealed).

History: 2005, c. 1, s. 244; 2006, c. 36, s. 164; 2009, c. 15, s. 284; 2010, c. 25, s. 139.

**1029.8.36.59.30.** (Repealed).

History: 2005, c. 1, s. 244; 2010, c. 25, s. 139.

**1029.8.36.59.31.** (Repealed).

History: 2005, c. 1, s. 244; 2009, c. 15, s. 285; 2010, c. 25, s. 139.

**DIVISION II.6.5.5**  
CREDIT RELATING TO SHAREHOLDING  
WORKERS COOPERATIVES

**Definitions:**

**1029.8.36.59.32.** In this division,

**“investment under the plan”;**

“investment under the plan” has the meaning assigned by the first paragraph of section 1129.12.12;

**“qualification certificate”;**

“qualification certificate” means a qualification certificate issued either under section 11 of the Cooperative Investment Plan Act (chapter R-8.1.1), as it read before being repealed, or under section 5.5 of Schedule C to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

**“qualified cooperative”;**

“qualified cooperative” has the meaning assigned by the first paragraph of section 2 of the Cooperative Investment Plan Act;

**“tax credit relating to Part III.2.3”.**

“tax credit relating to Part III.2.3” of a qualified cooperative for a particular taxation year means the negative amount determined by the following formula and expressed as a positive number:

$$30 \% (A - B) + C - D.$$

**Interpretation.**

In the formula in the definition of “tax credit relating to Part III.2.3” of a qualified cooperative for a particular taxation year, in the first paragraph,

(a) A is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the Cooperative Investment Plan Act and under the cooperative investment plan enacted by Order in Council 1596-85 (1985, G.O. 2, 5580, in French only) and that are outstanding at the end of the calendar year ending in the particular taxation year, exceeds an amount equal to 165% of the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative holds at the end of that calendar year;

(b) B is the amount by which the aggregate of the amounts paid in respect of the securities that are issued by the qualified cooperative under the cooperative investment plan and that are outstanding immediately before the issue to the qualified cooperative of its first qualification certificate, exceeds the acquisition cost, determined without taking into account the borrowing costs and the other costs related to their acquisition, of the aggregate of the investments under the plan that the qualified cooperative held at that time;

(c) C is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under this division on account of its tax payable under this Part for a taxation year preceding the particular taxation year;

(d) D is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under Part III.2.3 for a calendar year preceding the calendar year in which the particular taxation year ends; and

(e) where the result of the subtraction of the amounts that A and B represent is less than zero, the result of that subtraction is deemed to be equal to zero;

(f) (subparagraph repealed).

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2006, c. 37, s. 40; 2012, c. 1, s. 63; 2013, c. 10, s. 117.

**Credit.**

**1029.8.36.59.33.** A qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate is deemed, subject to the second and third

paragraphs, to have paid to the Minister, for a taxation year, on the qualified cooperative's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to its tax credit relating to Part III.2.3 for the year.

#### Computation of payments.

For the purpose of computing the payments that a cooperative referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the cooperative is deemed to have paid to the Minister, on account of the aggregate of the cooperative's tax payable for the year under this Part and of the cooperative's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of the amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Non-application in cases of winding-up.

No amount may be deemed to have been paid to the Minister under the first paragraph for the taxation year in which ends the calendar year in which the qualified cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1) or for a subsequent taxation year.

History: 2006, c. 37, s. 40; 2013, c. 10, s. 118.

#### Credit.

**1029.8.36.59.33.1.** A qualified cooperative that is a shareholding workers cooperative, within the meaning of the first paragraph of section 2 of the Cooperative Investment Plan Act (chapter R-8.1.1), and that holds a qualification certificate is deemed, subject to the third paragraph, to have paid to the Minister, for a particular taxation year in which ends the calendar year in which the cooperative decides to wind-up in accordance with the Cooperatives Act (chapter C-67.2) or the Canada Cooperatives Act (Statutes of Canada, 1998, chapter 1), on the cooperative's balance-due day for that particular year, on account of its tax payable for that particular year under this Part, an amount equal to the amount determined by the formula

A – B.

#### Interpretation.

In the formula in the first paragraph,

(a) A is the aggregate of all amounts each of which is a tax that the qualified cooperative is required to pay under Part III.2.3 for a calendar year preceding the calendar year ending in the particular taxation year; and

(b) B is the aggregate of all amounts each of which is an amount that the qualified cooperative is deemed to have paid to the Minister under this division on account of its tax payable under this Part for a taxation year preceding the particular taxation year.

#### Computation of payments.

For the purpose of computing the payments that a cooperative referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the cooperative is deemed to have paid to the Minister, on account of the aggregate of the cooperative's tax payable for the year under this Part and of the cooperative's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of the amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2013, c. 10, s. 119.

#### Credit deemed not to be an amount of government assistance.

**1029.8.36.59.34.** For the purposes of this Part and the regulations, the amount that a qualified cooperative is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.33 or 1029.8.36.59.33.1 is deemed not to be an amount of assistance or an inducement received by the cooperative from a government.

History: 2006, c. 37, s. 40; 2013, c. 10, s. 120.

**DIVISION II.6.5.6****CREDIT RELATING TO CERTAIN SHARE ISSUE EXPENSES UNDER THE STOCK SAVINGS PLAN II**§1. — *Interpretation and general***Definitions:**

**1029.8.36.59.35.** In this division,

**“eligible issue expenses”;**

“eligible issue expenses” for a taxation year means the expenses that a qualified issuing corporation has incurred in the year or in a preceding taxation year in the course of its first public share issue under Title VI.5 of Book VII, without exceeding the lesser of

- (a) 15% of the proceeds of the public share issue; and
- (b) \$3,000,000;

**“public share issue”;**

“public share issue” means the distribution of a share in accordance with a receipt granted by the Autorité des marchés financiers;

**“qualified issuing corporation”.**

“qualified issuing corporation” means a corporation described in section 965.90 or 965.94 and that is not governed by an Act establishing a labour-sponsored fund, by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) or by the Act respecting Québec business investment companies (chapter S-29.1).

**Restriction.**

For the purposes of the definition of “eligible issue expenses” in the first paragraph, the expenses referred to in the definition do not include expenses that would, but for section 147.1, be deductible under section 147 in computing the qualified issuing corporation’s income for a taxation year and that are incurred after 20 March 2012.

History: 2013, c. 10, s. 121.

**Eligible issue expenses.**

**1029.8.36.59.36.** The eligible issue expenses incurred for a taxation year must be attributable to a public share issue that, before the receipt for a final prospectus was obtained, was the subject of a favourable advance ruling by the Minister to the effect that it complies with the objectives of Title VI.5 of Book VII.

History: 2013, c. 10, s. 121.

§2. — *Credit***Credit relating to eligible issue expenses.**

**1029.8.36.59.37.** A qualified issuing corporation that, in a taxation year, makes a first public share issue under

Title VI.5 of Book VII and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on its balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to 30% of its eligible issue expenses for the year, to the extent that those expenses are paid.

**Computation of payments.**

For the purpose of computing the payments that a qualified issuing corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

- (a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and
- (b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2013, c. 10, s. 121.

§3. — *Government assistance, non-government assistance and other particulars***Issue expenses reduced by assistance.**

**1029.8.36.59.38.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified issuing corporation, for a taxation year, under section 1029.8.36.59.37, the amount of the issue expenses incurred by the corporation is to be reduced, if applicable, by the amount of any government assistance or non-government assistance attributable to the expenses that the corporation has received, is entitled to receive or may reasonably expect to receive on or before its filing-due date for the taxation year.

History: 2013, c. 10, s. 121.

**Repayment of assistance.**

**1029.8.36.59.39.** Where a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may

reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of section 1029.8.36.59.38, the issue expenses incurred by the corporation, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.59.37 in respect of its eligible issue expenses, for a particular taxation year, the corporation is deemed to have paid to the Minister on its balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the amount that it would be deemed to have paid to the Minister under section 1029.8.36.59.37 for the particular year, in respect of its eligible issue expenses, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.59.38, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.37 in respect of its eligible issue expenses; and

(b) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

History: 2013, c. 10, s. 121.

#### Deemed repayment of assistance.

**1029.8.36.59.40.** For the purposes of section 1029.8.36.59.39, an amount of assistance is deemed to be repaid at a particular time by a corporation pursuant to a legal obligation if that amount

(a) reduced, because of section 1029.8.36.59.38, eligible issue expenses for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.37;

(b) was not received by the corporation; and

(c) ceased at the particular time to be an amount that the corporation may reasonably expect to receive.

History: 2013, c. 10, s. 121.

#### Eligible issue expenses reduced by benefit or advantage.

**1029.8.36.59.41.** If, in respect of eligible issue expenses of a qualified issuing corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the public share issue to which those expenses relate, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed

the fair market value of the property, or in any other form or manner, for the purpose of computing the amount that the qualified issuing corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.37, the amount of the eligible issue expenses referred to in the first paragraph of that section is to be reduced by the amount of the benefit or advantage relating to the expenses that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified issuing corporation's filing-due date for the taxation year.

History: 2013, c. 10, s. 121.

#### DIVISION II.6.5.7

#### CREDIT FOR DAMAGE INSURANCE FIRMS

##### §1. — *Interpretation and general rules*

##### Definitions:

**1029.8.36.59.42.** In this division,

**“excluded corporation”;**

“excluded corporation” for a taxation year means

(a) a corporation that is exempt from tax for the year under Book VIII; or

(b) a corporation that would be exempt from tax for the year under section 985, but for section 192;

**“qualified corporation”;**

“qualified corporation” for a particular taxation year means a corporation, other than an excluded corporation for the particular year, that carried on damage insurance activities in Québec during its last taxation year ended before 1 January 2013 and that

(a) is a person

i. that is referred to for the particular year in subparagraph *f* of the first paragraph of section 1159.3, enacted by subparagraph *e* of the first paragraph of section 1159.3.2, or

ii. that would be referred to for the particular year in subparagraph *f* of the first paragraph of section 1159.3, enacted by subparagraph *e* of the first paragraph of section 1159.3.2, if subparagraph *e* of the first paragraph of section 1159.3, enacted by subparagraph *d* of the first paragraph of section 1159.3.2, were read as if “in the year” were replaced by “throughout the year”; and

(b) is registered, at any time in the particular year, with the Autorité des marchés financiers under Title II of the Act respecting the distribution of financial products and services (chapter D-9.2) to act as a damage insurance firm;

**“qualified expenditure”;**

“qualified expenditure” of a corporation means the aggregate of all amounts each of which is an expenditure of a current nature that is incurred by the corporation in its last taxation year ended before 1 January 2013 and that is reasonably

attributable to its damage insurance activities in Québec, other than an expenditure consisting of

- (a) wages or an employer contribution;
- (b) interest charges;
- (c) a non-deductible entertainment expense;
- (d) a fine or penalty; or
- (e) municipal or school property taxes;

**“wages”.**

“wages” means the income computed under Chapters I and II of Title II of Book III.

History: 2015, c. 21, s. 454.

**Amalgamation.**

**1029.8.36.59.42.1.** If a particular corporation does not have a taxation year ended before 1 January 2013 and it results from the amalgamation after 31 December 2011 of two or more corporations (in this section referred to as “predecessor corporations”) that were carrying on damage insurance activities in Québec during their last taxation year ended before 1 January 2013, the following rules apply:

(a) for the purposes of the definition of “qualified corporation” in section 1029.8.36.59.42, the particular corporation is deemed to have carried on damage insurance activities in Québec during its last taxation year ended before 1 January 2013; and

(b) the qualified expenditure of the particular corporation is equal to the aggregate of all amounts each of which is the qualified expenditure of a predecessor corporation.

History: 2017, c. 1, s. 281.

**Taxation year less than 365 days.**

**1029.8.36.59.43.** If the last taxation year of a corporation ended before 1 January 2013 has fewer than 365 days, the corporation’s qualified expenditure is deemed to be equal to the proportion of the corporation’s qualified expenditure otherwise determined that 365 is of the number of days included in that taxation year.

History: 2015, c. 21, s. 454.

§2. — *Credit*

**Credit.**

**1029.8.36.59.44.** A qualified corporation for a taxation year that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second and third paragraphs, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to

(a) if the taxation year ends in the calendar year 2013, the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2012 during which it carried on damage insurance activities in Québec is of 365;

(b) if the taxation year ends in the calendar year 2014, the aggregate of

i. the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2012 and that precede 1 January 2014 during which it carried on damage insurance activities in Québec is of 365, and

ii. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2013 during which it carried on damage insurance activities in Québec is of 365;

(c) if the taxation year ends in the calendar year 2015, the aggregate of

i. the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that precede 1 January 2014 during which it carried on damage insurance activities in Québec is of 365,

ii. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2013 and that precede 1 January 2015 during which it carried on damage insurance activities in Québec is of 365, and

iii. the proportion of 2.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2014 during which it carried on damage insurance activities in Québec is of 365; or

(d) if the taxation year ends after 31 December 2015, the aggregate of

i. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that precede 1 January 2015 during which it carried on damage insurance activities in Québec is of 365, and

ii. the proportion of 2.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2014 and that precede 1 January 2016 during which it carried on damage insurance activities in Québec is of 365.

**Qualified corporation for part of a year.**

If the corporation is a qualified corporation for the year under subparagraph ii of paragraph a of the definition of “qualified corporation” in section 1029.8.36.59.42, whichever of subparagraphs a to d of the first paragraph applies to the corporation for the year is to be read as if “during which it

carried on damage insurance activities in Québec”, wherever it appears, were replaced by “during which it carried on damage insurance activities in Québec and the election referred to in subparagraph *e* of the first paragraph of section 1159.3, enacted by subparagraph *d* of the first paragraph of section 1159.3.2, is not in effect.”.

#### Computation of payments.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or under section 1159.7 if it refers to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Part IV.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2015, c. 21, s. 454.

### §3. — *Government assistance, non-government assistance and other particulars*

#### Assistance.

**1029.8.36.59.45.** For the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by a corporation under section 1029.8.36.59.44, the amount of the qualified expenditure of the corporation referred to in the first paragraph of that section is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation’s filing-due date for the taxation year.

History: 2015, c. 21, s. 454.

#### Benefit or advantage.

**1029.8.36.59.46.** If, in respect of a qualified expenditure of a qualified corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the qualified expenditure, whether in the form of a

repayment, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the amount of the qualified expenditure of the qualified corporation for a taxation year is to be reduced, for the purpose of computing the amount that is deemed to have been paid to the Minister for that year by the qualified corporation under section 1029.8.36.59.44, by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation’s filing-due date for the taxation year.

History: 2015, c. 21, s. 454.

#### Repayment of assistance.

**1029.8.36.59.47.** If, before 1 January 2018, a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing the corporation’s qualified expenditure in respect of which it is deemed to have paid an amount to the Minister under section 1029.8.36.59.44, the corporation is deemed, if it encloses the prescribed form with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount determined under the second paragraph is exceeded by the aggregate of all amounts each of which is equal to the amount by which the amount that it would be deemed to have paid to the Minister for a particular taxation year, in respect of the qualified expenditure, under section 1029.8.36.59.44, if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.59.45, exceeds the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.44 for the particular year in respect of the qualified expenditure.

#### Amount referred to.

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of assistance that is repaid.

History: 2015, c. 21, s. 454.

#### Repayment of assistance.

**1029.8.36.59.48.** For the purposes of section 1029.8.36.59.47, an amount of assistance is deemed to be repaid at a particular time by a corporation, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.59.45, a qualified expenditure for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.44;

(b) was not received by the corporation; and

(c) ceased at the particular time to be an amount that the corporation could reasonably expect to receive.

History: 2015, c. 21, s. 454.

## **DIVISION II.6.5.8** **CREDIT TO FOSTER THE RETENTION OF** **EXPERIENCED WORKERS**

### §1. — *Interpretation*

#### **Definitions.**

**1029.8.36.59.49.** In this division,

#### **“eligible contribution”;**

“eligible contribution” of a qualified corporation or a qualified partnership, in respect of a calendar year and in relation to an employee, means an amount that the qualified corporation or the qualified partnership, as the case may be, paid, for that calendar year and in relation to that employee, under the Act respecting industrial accidents and occupational diseases (chapter A-3.001) or under

(a) section 59 of the Act respecting parental insurance (chapter A-29.011);

(b) section 39.0.2 of the Act respecting labour standards (chapter N-1.1);

(c) section 34 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5); or

(d) section 52 of the Act respecting the Québec Pension Plan (chapter R-9);

#### **“eligible employee”;**

“eligible employee” of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period means an employee of the corporation or partnership at a time in the calendar year that ends in the taxation year or the fiscal period, as the case may be, who is at least 65 years of age on 1 January of that calendar year, other than an excluded employee at any time in that calendar year;

#### **“excluded corporation”;**

“excluded corporation” for a taxation year means a corporation that

(a) is exempt from tax for the year under Book VIII; or

(b) would be exempt from tax for the year under section 985, but for section 192;

#### **“excluded employee”;**

“excluded employee” of a corporation or a partnership at a particular time means

(a) where the employer is a corporation, an employee who is, at that time, a specified shareholder of the corporation or, where the corporation is a cooperative, a specified member of the corporation; or

(b) where the employer is a partnership, an employee who

i. is, at that time, a specified shareholder or specified member, as the case may be, of a member of the partnership, or

ii. is not, at that time, dealing at arm’s length with a member of the partnership, or with a specified shareholder or specified member, as the case may be, of that member;

#### **“primary and manufacturing sectors corporation”;**

“primary and manufacturing sectors corporation” for a taxation year has the meaning assigned by the first paragraph of section 771.1;

#### **“qualified corporation”;**

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation for the year, that, in the year, carries on a business in Québec and has an establishment in Québec, whose paid-up capital attributed to the corporation for the year, determined in accordance with section 737.18.24, is less than \$15,000,000 and, unless the corporation is a primary and manufacturing sectors corporation for the year, that is referred to in section 771.2.1.2.1 for the year;

#### **“qualified expenditure”;**

“qualified expenditure” of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period, in relation to an eligible employee, means, subject to section 1029.8.36.59.51, the aggregate of all amounts each of which is an eligible contribution of the qualified corporation or the qualified partnership, as the case may be, in respect of a calendar year subsequent to the calendar year 2018 that ends in the taxation year or the fiscal period, as the case may be, in relation to the salary, wages or other remuneration that the corporation or the partnership paid, allocated, granted, awarded or attributed to the eligible employee in the calendar year, other than a salary, wages or other remuneration in respect of which no contribution is payable by the qualified corporation or the qualified partnership under section 34 of the Act respecting the Régie de l’assurance maladie du Québec, because of subparagraph *d.1* of the seventh paragraph of that section 34;

#### **“qualified partnership”;**

“qualified partnership” for a fiscal period means a partnership that, in the fiscal period, carries on a business in Québec, has an establishment in Québec and meets the following conditions:

(a) if the partnership were a corporation whose taxation year corresponds to its fiscal period, the paid-up capital that would be attributed to the partnership for the year in accordance with section 737.18.24 is less than \$15,000,000; and



(b) the number of remunerated hours of the partnership's employees for the fiscal period, determined as if the partnership were referred to in section 771.2.1.2.2 for the fiscal period, exceeds 5,000, except where the partnership would be a primary and manufacturing sectors corporation for the year if it were a corporation whose taxation year corresponds to its fiscal period;

**“specified employee”;**

“specified employee” of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period means an employee of the corporation or partnership at a time in the calendar year that ends in the taxation year or the fiscal period, as the case may be, who is at least 60 years of age and at most 64 years of age on 1 January of that calendar year, other than an excluded employee at any time in that calendar year;

**“specified expenditure”;**

“specified expenditure” of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period, in relation to a specified employee, means, subject to section 1029.8.36.59.51, the aggregate of all amounts each of which is an eligible contribution of the qualified corporation or the qualified partnership, as the case may be, in respect of a calendar year subsequent to the calendar year 2018 that ends in the taxation year or the fiscal period, as the case may be, in relation to the salary, wages or other remuneration that the corporation or the partnership paid, allocated, granted, awarded or attributed to the specified employee in the calendar year, other than a salary, wages or other remuneration in respect of which no contribution is payable by the qualified corporation or the qualified partnership under section 34 of the Act respecting the Régie de l'assurance maladie du Québec, because of subparagraph *d.1* of the seventh paragraph of that section 34;

**“specified member”;**

“specified member” of a corporation that is a cooperative at any time means

(a) a member having, directly or indirectly, at that time, at least 10% of the votes at a meeting of the members of the cooperative; or

(b) a person who is not, at that time, dealing at arm's length with that member;

**“total payroll”;**

“total payroll” of a corporation or a partnership for a calendar year means its total payroll determined for the year in accordance with Division I of Chapter IV of the Act respecting the Régie de l'assurance maladie du Québec;

**“total payroll threshold”.**

“total payroll threshold” of a corporation or a partnership for a calendar year means the total payroll threshold of the corporation or partnership, as the case may be, determined for the year in accordance with Division I of Chapter IV of the Act respecting the Régie de l'assurance maladie du Québec.

History: 2020, c. 16, s. 147.

§2. — *Credit*

**Credit.**

**1029.8.36.59.50.** A qualified corporation for a taxation year that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fifth paragraph, to have paid to the Minister on the corporation's balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of

(a) the product obtained by multiplying the aggregate of all amounts each of which is the amount of its qualified expenditure for the year, in relation to an eligible employee of the corporation for the year, by the corporation's eligible rate for the year;

(b) the product obtained by multiplying the aggregate of all amounts each of which is the amount of its specified expenditure for the year, in relation to a specified employee of the corporation for the year, by the corporation's specified rate for the year; and

(c) where the qualified corporation is a member of a qualified partnership at the end of a fiscal period of the partnership that ends in the taxation year, the aggregate of

i. the product obtained by multiplying the aggregate of all amounts each of which is its share, for the fiscal period, of the qualified partnership's qualified expenditure for the fiscal period, in relation to an eligible employee of the partnership for the fiscal period, by the partnership's eligible rate for the fiscal period, and

ii. the product obtained by multiplying the aggregate of all amounts each of which is its share, for the fiscal period, of the qualified partnership's specified expenditure for the fiscal period, in relation to a specified employee of the partnership for the fiscal period, by the partnership's specified rate for the fiscal period.

**Eligible rate.**

The eligible rate of a corporation or partnership to which subparagraph *a* of the first paragraph and subparagraph *i* of subparagraph *c* of that paragraph refer, for a taxation year of the corporation or a fiscal period of the partnership, as the case may be, is determined by the formula

$$75\% - (75\% \times A/B).$$

**Specified rate.**

The specified rate of a corporation or partnership to which subparagraph *b* of the first paragraph and subparagraph *ii* of subparagraph *c* of that paragraph refer, for a taxation year of the corporation or a fiscal period of the partnership, as the case may be, is determined by the formula

$50\% - (50\% \times A/B)$ .

#### Interpretation.

In the formulas in the second and third paragraphs,

(a) A is the amount by which \$1,000,000 is exceeded by the lesser of the total payroll of the qualified corporation for the calendar year that ended in the taxation year or of the qualified partnership for the calendar year that ended in the fiscal period, as the case may be, and the total payroll threshold of the qualified corporation or the qualified partnership for that calendar year; and

(b) B is the amount by which \$1,000,000 is exceeded by the total payroll threshold of the qualified corporation for the calendar year that ended in the taxation year or of the qualified partnership for the calendar year that ended in the fiscal period, as the case may be.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation referred to in the first paragraph is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of the corporation's tax payable for the year under this Part and of the corporation's tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Member's share.

For the purposes of this section, the share of a member of a partnership of an amount for a fiscal period is equal to the agreed proportion of the amount in respect of the member for the fiscal period.

History: 2020, c. 16, s. 147.

#### Limit.

**1029.3.36.59.51.** For the purposes of this division and subject to the second and third paragraphs, the following rules apply:

(a) the qualified expenditure of a qualified corporation or of a qualified partnership for a taxation year of the corporation or a fiscal period of the partnership, in relation to an eligible employee and in respect of a calendar year, may not exceed the quotient obtained by dividing \$1,875 by the eligible rate of the corporation for the taxation year or of the partnership for the fiscal period, as the case may be; and

(b) the specified expenditure of a qualified corporation or of a qualified partnership for a taxation year of the corporation or a fiscal period of the partnership, in relation to a specified employee and in respect of a calendar year, may not exceed the quotient obtained by dividing \$1,250 by the specified rate of the corporation for the taxation year or of the partnership for the fiscal period, as the case may be.

#### Associated group's member.

For the purpose of determining the qualified expenditure or the specified expenditure of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period, where, at the end of a calendar year that ends in the taxation year or fiscal period, as the case may be, the qualified corporation or qualified partnership is a member of an associated group and more than one member of the group (each of whom being referred to in this section as a "particular member") paid, in a calendar year, an amount on account of a salary, wages or other remuneration to the same employee who is, for each of the particular members, an eligible employee or a specified employee for the taxation year or fiscal period, as the case may be, of the particular member in which the calendar year ended, the qualified expenditure or the specified expenditure of the qualified corporation for the year or of the qualified partnership for the fiscal period, in relation to the employee, is, subject to the third paragraph, equal to zero.

#### Allocation.

Despite the second paragraph, where the particular members have filed with the Minister, in the prescribed form, an agreement whereby, for the purposes of this division, they allocate an amount to one or more of them as a qualified expenditure or specified expenditure for the taxation year or fiscal period, as the case may be, in relation to the same eligible employee or specified employee, the following rules apply:

(a) the amount of the qualified expenditure of the qualified corporation for the taxation year or of the qualified partnership for the fiscal period, as the case may be, in relation to that eligible employee, is deemed to be equal, where the product obtained by multiplying the aggregate of all amounts each of which is the amount so allocated to a

particular member, in relation to the eligible employee, by the eligible rate of the qualified corporation for the taxation year or of the qualified partnership for the fiscal period, as the case may be, does not exceed \$1,875, to the amount so allocated to the corporation for the year or to the partnership for the fiscal period; and

(b) the amount of the specified expenditure of the qualified corporation for the taxation year or of the qualified partnership for the fiscal period, as the case may be, in relation to the specified employee, is deemed to be equal, where the product obtained by multiplying the aggregate of all amounts each of which is the amount so allocated to a particular member, in relation to the specified employee, by the specified rate of the qualified corporation for the taxation year or of the qualified partnership for the fiscal period, as the case may be, does not exceed \$1,250, to the amount so allocated to the corporation for the year or to the partnership for the fiscal period.

#### Eligible and specified rate.

For the purposes of subparagraphs a and b of the third paragraph, the eligible rate and the specified rate of a corporation or of a partnership for a taxation year or fiscal period, as the case may be, are those determined for the year or fiscal period in accordance with the second and third paragraphs of section 1029.8.36.59.50.

#### Associated group.

For the purposes of this section, an associated group, at the end of a calendar year, means all the qualified corporations and qualified partnerships that are associated with each other at that time.

History: 2020, c. 16, s. 147.

### §3. — *Government assistance, non-government assistance and other particulars*

#### Reduction of expenditure.

**1029.8.36.59.52.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.59.50, the following rules apply:

(a) the amount of the corporation's qualified expenditure or specified expenditure referred to in subparagraph a or b of the first paragraph of section 1029.8.36.59.50 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to the expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(b) the corporation's share of the qualified expenditure or specified expenditure referred to in subparagraph i or ii of subparagraph c of the first paragraph of section

1029.8.36.59.50 of a partnership of which the corporation is a member, for a fiscal period of the partnership that ends in the corporation's taxation year, is to be reduced, if applicable,

i. by the corporation's share of the amount of any government assistance or non-government assistance, attributable to that expenditure, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the day that is six months after the end of the fiscal period.

#### Member's share.

For the purposes of subparagraph i of subparagraph b of the first paragraph, the share of a corporation, for a fiscal period of a partnership, of the amount of any government assistance or non-government assistance that the partnership has received, is entitled to receive or may reasonably expect to receive, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

History: 2020, c. 16, s. 147.

#### Benefit or advantage.

**1029.8.36.59.53.** Where, in respect of a qualified expenditure or specified expenditure of a qualified corporation for a taxation year or of a qualified partnership of which the qualified corporation is a member, for a fiscal period of that partnership that ends in the corporation's taxation year, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that arises from the payment of an eligible contribution, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply for the purpose of computing the amount that is deemed to have been paid to the Minister, for the taxation year, by the qualified corporation under section 1029.8.36.59.50:

(a) the amount of the corporation's qualified expenditure or specified expenditure referred to in subparagraph a or b of the first paragraph of section 1029.8.36.59.50 is to be reduced, if applicable, by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the corporation's filing-due date for the taxation year; and

(b) the corporation's share of the partnership's qualified expenditure or specified expenditure referred to in

subparagraph i or ii of subparagraph *c* of the first paragraph of section 1029.8.36.59.50 is to be reduced, if applicable,

i. by the corporation's share of the amount of the benefit or advantage that a partnership or a person, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the day that is six months after the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the corporation or a person with whom it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the day that is six months after the end of the fiscal period.

#### Member's share.

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the share of a corporation, for a fiscal period of a partnership, of the amount of the benefit or advantage that a partnership or a person has obtained, is entitled to obtain or may reasonably expect to obtain, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

History: 2020, c. 16, s. 147.

#### Repayment of assistance by a corporation.

**1029.8.36.59.54.** Where, in a taxation year (in this section referred to as the "repayment year"), a corporation pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph *a* of the first paragraph of section 1029.8.36.59.52, the corporation's qualified expenditure or specified expenditure for a particular taxation year for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for the particular year under section 1029.8.36.59.50, the corporation is deemed, if the corporation encloses the prescribed form containing prescribed information with the fiscal return the corporation is required to file for the repayment year under section 1000, to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount that the corporation would be deemed to have paid to the Minister for the particular year under section 1029.8.36.59.50, in respect of the qualified expenditure or the specified expenditure, as the case may be, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.52, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.50 for the

particular year in respect of the qualified expenditure or the specified expenditure, as the case may be; and

(b) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year in respect of an amount of repayment of that assistance.

History: 2020, c. 16, s. 147.

#### Repayment of assistance by a partnership.

**1029.8.36.59.55.** Where, in a fiscal period (in this section referred to as the "fiscal period of repayment"), a partnership pays, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.59.52, a corporation's share of the partnership's qualified expenditure or specified expenditure for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.50, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.59.50 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.50, for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.59.52; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2020, c. 16, s. 147.

#### Repayment of assistance by a member of a partnership.

**1029.8.36.59.56.** Where a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) and pays, in the fiscal period of repayment, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.59.52, its share of the partnership’s qualified expenditure or specified expenditure for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.50, in respect of the share, for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister under section 1029.8.36.59.50 for its taxation year in which the particular fiscal period ends, in respect of the share, exceeds the aggregate of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.59.50 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(b) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of that assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

#### Rules applicable.

The particular amount to which the first paragraph refers is to be computed as if

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.59.52; and

(b) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

History: 2020, c. 16, s. 147.

#### Deemed repayment of assistance.

**1029.8.36.59.57.** For the purposes of sections 1029.8.36.59.54 to 1029.8.36.59.56, an amount of assistance is deemed to be repaid by a corporation or a partnership, as the case may be, at a particular time, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.59.52, a qualified expenditure or specified expenditure or the share of a corporation that is a member of the partnership of a qualified expenditure or specified expenditure, for the purpose of computing the amount that the corporation or the corporation that is a member of the partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.50;

(b) was not received by the corporation or partnership; and

(c) ceased at the particular time to be an amount that the corporation or partnership could reasonably expect to receive.

History: 2020, c. 16, s. 147.

#### DIVISION II.6.6

*(Repealed).*

§1. — *(Repealed).*

**1029.8.36.60.** *(Repealed).*

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.61.** *(Repealed).*

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.62.** *(Repealed).*

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

§2. — (Repealed).

**1029.8.36.63.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.64.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.65.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.66.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.66.1.** (Not revised).

History: 1999, c. 83, s. 217(2).

**1029.8.36.66.2.** (Not revised).

History: 1999, c. 83, s. 217(2).

**1029.8.36.67.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.68.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.69.** (Repealed).

History: 1997, c. 85, s. 261; 1998, c. 16, s. 232; 1999, c. 83, s. 217.

§3. — (Repealed).

**1029.8.36.70.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.71.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**1029.8.36.72.** (Repealed).

History: 1997, c. 85, s. 261; 1999, c. 83, s. 217.

**DIVISION II.6.6.1**

**CREDIT FOR JOB CREATION IN THE OPTICS  
INDUSTRY IN THE QUÉBEC AREA**

§1. — *Definitions and general*

**Definitions:**

**1029.8.36.72.1.** In this division,

**“base amount”;**

“base amount” of a corporation, in relation to a calendar year, means the amount that would be the eligible amount of the corporation for its base period in relation to the calendar year

if the reference to a calendar year, in the definition of “eligible amount”, were replaced by a reference to a base period in relation to a calendar year or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.11 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero;

**“base period”;**

“base period” of a corporation, in relation to a calendar year, means the period within the preceding calendar year during which a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, was carried on in Québec by the corporation;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in a pay period, within the year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in a pay period, within the year, for which the employee would be an eligible employee of the corporation if the establishment where the employee so reported for work were situated in the Québec area;

**“eligible employee”;**

“eligible employee” for a pay period within a calendar year means an employee, other than an excluded employee at any time in that period, who, during that period, reports for work at an establishment of the employer situated in the Québec area and who, throughout that period, spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to the manufacturing or, as the case may be, the commercialization of apparatus or equipment related to the optics, photonics or laser sector and that constitutes a business carried on by the employer in the Québec area;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of paragraph a of section 1029.8.36.72.7 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph a of the first paragraph of section 1029.8.36.72.2 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph a in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by

the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*b*) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of paragraph *a* of section 1029.8.36.72.7 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.3 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the corporation was not associated with any other qualified corporation carrying on a recognized business in the Québec area for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(*c*) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of paragraph *b* of section 1029.8.36.72.7 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.4 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes

of paragraph *a* of section 1029.8.36.72.4 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.4 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“excluded employee”;**

“excluded employee” at a particular time means an employee of a corporation who, at that time, is a specified shareholder of that corporation or, where the corporation is a cooperative, a specified member of that corporation;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, has an establishment in Québec and carries on a qualified business in Québec, other than

(*a*) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends;

(*b*) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192; or

(*c*) a corporation control of which is acquired at any time in the calendar year or a preceding calendar year, but after 11 June 2003, by a person or group of persons, unless the acquisition of control

i. occurs before 1 July 2004 and the Minister of Economic Development, Innovation and Export Trade certifies that it results from a transaction that was sufficiently advanced on 11 June 2003 and was binding on the parties on that date,

ii. is by a corporation carrying on at that time a recognized business, by a person or group of persons that controls such a corporation, or by a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation,

iii. derives from the exercise after 11 June 2003 of one or more rights described in paragraph *b* of section 20 that were acquired before 12 June 2003, or

iv. derives from the performance after 11 June 2003 of one or more obligations described in the third paragraph of section 21.3.5 that were contracted before 12 June 2003;

**“Québec area”;**

“Québec area” means the Québec Census Metropolitan Area, as described in the 1996 Census Dictionary published by Statistics Canada;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a business carried on by the corporation in the year in respect of which a qualification certificate was issued by the Minister of Economic Development, Innovation and Export Trade, and that is any of the following businesses:

(a) a business manufacturing and, as the case may be, commercializing apparatus or equipment related to the optics, photonics or laser sector; or

(b) a business the activities of which are related to a business described in paragraph a;

**“salary or wages”.**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of apparatus or equipment related to the optics, photonics or laser sector, directors’ fees, premiums, overtime compensation for hours done in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, overtime compensation for hours done in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III;

**“specified member”.**

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative.

**Eligible employee.**

For the purposes of the definition of “eligible employee” in the first paragraph,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in the Québec area and at an establishment of the qualified corporation situated outside the Québec area, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the Québec area, or

ii. to report for work only at the establishment situated outside the Québec area if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside the Québec area; and

(b) where, during a pay period within a calendar year, an employee is not required to report for work at an

establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in the Québec area, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Eligible employee.**

For the purposes of the definition of “eligible amount” in the first paragraph,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside Québec; and

(b) where, during a pay period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 89; 2002, c. 40, s. 169; 2003, c. 2, s. 262; 2003, c. 29, s. 135; O.C. 222-2004; 2004, c. 21, s. 358; 2005, c. 38, s. 256; 2006, c. 13, s. 151; 2006, c. 8, s. 31.

**§2. — Credits****Credit.**

**1029.336.72.2.** A qualified corporation for a calendar year after the calendar year 1998 and before the calendar year 2007 that is not associated with any other corporation at the end of the calendar year and that encloses the documents referred to in the second paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that



taxation year under this Part, an amount equal to 40% of the aggregate of

(a) if, in the taxation year, the qualified corporation carries on a recognized business in the Québec area, the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the qualified corporation's base period in relation to the calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.11 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount in relation to that calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to the recognized business.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the

particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2001, c. 51, s. 182; 2003, c. 2, s. 263; 2003, c. 9, s. 285; 2004, c. 21, s. 359; 2005, c. 38, s. 257.

#### Credit in the case of associated corporations.

**1029.8.36.72.3.** A qualified corporation for a calendar year after the calendar year 1998 and before the calendar year 2007 that is associated with one or more other corporations at the end of the calendar year and encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) if, in the taxation year, the qualified corporation carries on a recognized business in the Québec area, subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the qualified corporation's base period in relation to the calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.11 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero,

ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the eligible amount for the calendar year of each corporation with which the qualified corporation is associated at the end of the calendar year exceeds the aggregate of the qualified corporation's base amount in relation to that calendar year and the base amount of each corporation with which the qualified corporation is associated at the end of that calendar year in relation to that calendar year, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount in relation to that calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

#### Restriction.

Where the qualified corporation referred to in subparagraph *a* of the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the Québec area in the taxation year during which the calendar year ends, the amount determined under subparagraph *a* shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.4.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to the recognized business; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.4 in prescribed form.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 90; 2003, c. 2, s. 264; 2003, c. 9, s. 286; 2004, c. 21, s. 360; 2005, c. 38, s. 258.

#### Agreement on attribution.

**1029.8.36.72.4.** The agreement to which the second paragraph of section 1029.8.36.72.3 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business in the Québec area and that are associated with each other at the end of that calendar year attribute to one or more of their number, for the purposes of this division, one or more amounts the aggregate of which for the calendar year does not exceed the lesser of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by one such corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in a pay period, within the corporation's base period in relation to that calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.11 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero; and

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of one such corporation for the calendar year exceeds the aggregate of all amounts each of which is the base amount of one such corporation in relation to that calendar year.

History: 2001, c. 51, s. 182; 2004, c. 21, s. 361.

#### **1029.8.36.72.5.** (*Repealed*).

History: 2001, c. 51, s. 182; 2004, c. 21, s. 362.

#### Deemed attribution.

**1029.8.36.72.6.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under paragraph *a* or *b* of section 1029.8.36.72.4, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.3, to be equal to the

proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2001, c. 51, s. 182; 2004, c. 21, s. 363.

§3. — *Government assistance, non-government assistance, contract payments and other particulars*

**Reduction attribution.**

**1029.8.36.72.7.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under section 1029.8.36.72.2 or 1029.8.36.72.3, the following rules apply:

(a) the amount of the salaries or wages referred to in the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.1, subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.72.2 or subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.72.3 paid by the corporation and the amount of the salaries or wages referred to in subparagraph ii of subparagraph a of the first paragraph of section 1029.8.36.72.3 paid by a corporation associated with the qualified corporation shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the qualified

corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.4 to one or more of their number, shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 91; 2002, c. 40, s. 170; 2006, c. 13, s. 153.

**Deemed repayment of assistance.**

**1029.8.36.72.8.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in paragraph a of section 1029.8.36.72.7, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph a of the first paragraph of section 1029.8.36.72.2 or 1029.8.36.72.3, or

ii. in the case of assistance referred to in paragraph *b* of section 1029.8.36.72.7, the excess amount referred to in paragraph *a* of section 1029.8.36.72.4 determined, in respect of a calendar year in relation to all of the qualified corporations carrying on a recognized business in the Québec area and that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 171; 2004, c. 21, s. 364.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.9.** For the purposes of this division, the following rules apply to a corporation, in this section referred to as the “new corporation”, resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which is referred to in this section as a “predecessor corporation”:

(a) if the new corporation has a base period, in relation to a calendar year, of less than 365 days, its base period, otherwise determined in relation to the calendar year, is deemed to include the period of the preceding calendar year, in this section referred to as the “preceding period”, commencing on the day on which a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, was first carried on in Québec by one of the predecessor corporations, and ending immediately before the amalgamation; and

(b) for the purpose of determining the amount that the new corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year ends, the new corporation is deemed to have paid, in the preceding period, the aggregate of all amounts each of which is the salary or wages paid by a predecessor corporation to an employee in a pay period within the preceding period for which the employee

i. is an eligible employee of the predecessor corporation, or

ii. if the employee reports for work at an establishment of the predecessor corporation situated in Québec, would be an eligible employee of the predecessor corporation if the establishment where the employee so reported for work had been situated in the Québec area.

#### Predecessor corporation.

For the purposes of this section, a predecessor corporation includes any corporation in respect of which the predecessor corporation was a new corporation.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 172; 2004, c. 21, s. 365.

#### Rules applicable where a subsidiary is wound-up.

**1029.8.36.72.10.** For the purposes of this division, where the rules in sections 556 to 564.1 and 565 apply to the winding-up of a subsidiary, within the meaning of section 556, the following rules apply:

(a) if the parent corporation, within the meaning of section 556, has a base period, in relation to a calendar year, of less than 365 days, its base period, otherwise determined in relation to the calendar year, is deemed to include the period of the preceding calendar year, in this section referred to as the “preceding period”, commencing on the day on which a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, was first carried on in Québec by the subsidiary, and ending immediately before the beginning of the parent corporation’s base period otherwise determined; and

(b) for the purpose of determining the amount that the parent corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year ends, the parent corporation is deemed to have paid, in the preceding period, the aggregate of all amounts each of which is the salary or wages paid by the subsidiary to an employee in a pay period within the preceding period for which the employee

i. is an eligible employee of the subsidiary, or

ii. if the employee reports for work at an establishment of the subsidiary situated in Québec, would be an eligible employee of the subsidiary if the establishment where the employee so reported for work had been situated in the Québec area.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 173; 2004, c. 21, s. 366.

#### Decrease in or cessation of activities.

**1029.8.36.72.11.** Subject to sections 1029.8.36.72.9 and 1029.8.36.72.10, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business that would be a recognized business if a qualification certificate had been issued in its respect, diminish or cease, and where it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after that time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the particular calendar year ends and for the taxation year in which the following calendar year ends:

(a) the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within its base period in relation to the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period, within its base period in relation to the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area, is deemed to be equal to the amount by which the aggregate otherwise determined exceeds the amount determined by the formula

$A \times B \times C$ ;

(b) the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period of the particular calendar year preceding the particular time for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period of the particular calendar year preceding the particular time for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area, is deemed, for the purpose of determining the amount that the vendor is deemed to have paid to the Minister under this division for the taxation year in which the calendar year following the particular calendar year ends, to be equal to the amount by which the aggregate otherwise determined exceeds the amount determined by the formula

$B \times D$ ; and

(c) the purchaser is deemed

i. to have an eligible amount for the particular calendar year equal to the aggregate of its eligible amount for the year otherwise determined and the amount that is that proportion of the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period, within the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area, to the extent that the employee may reasonably be considered to have been assigned to the carrying on of the part of the activities that diminished or ceased at the particular time, that the number of days in the particular calendar year that precede the particular time is of the number of days in the particular calendar year that precede the particular time and during which the vendor carried on those activities, and

ii. to have a base amount in relation to the particular calendar year equal to the aggregate of

(1) the base amount of the purchaser otherwise determined in relation to the particular calendar year,

(2) the amount that is that proportion of the salary or wages paid by the vendor to an employee in a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period, within the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that diminished or ceased at the particular time, that the number of days in the particular calendar year that precede the particular time is of the number of days in the particular calendar year that precede the particular time and during which the vendor carried on those activities, and

(3) the aggregate of all amounts each of which is the salary or wages paid by the purchaser to an employee in a pay period of the particular calendar year and after the particular time, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that were paid by the purchaser in a pay period of the particular calendar year and after the particular time, for which the employee would be an eligible employee of the purchaser if the establishment where the employee so reported for work were situated in the Québec area, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time.

#### **Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) *A* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within its base period for the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period within its base period in relation to the particular calendar year for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area;

(b) *B* is the proportion that the number of the vendor's employees referred to in subparagraph *a* who are assigned to the part of the activities that diminished or ceased at the

particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time;

(c) C, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, is the proportion that the number of days in the particular calendar year following the particular time is of 365; and

(d) D is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period of the particular calendar year preceding the particular time for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that were paid by the vendor in a pay period of the particular calendar year preceding the particular time for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Québec area.

**Exception.**

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

**Exception.**

For the purposes of this section, where a corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, that corporation is a vendor in relation to part of those activities, the following rules apply for the purpose of determining the eligible amount of the corporation for the year and its base amount in relation to that year:

(a) the corporation's employees are deemed to have been paid by the corporation only the portion of the salaries or wages that may reasonably be considered to have been paid to the employees assigned to the part of the activities that the corporation continues to carry on after that subsequent time; and

(b) the person's or partnership's employees are deemed to have been paid by the person or partnership only the portion

of the salaries or wages that may reasonably be considered to have been paid to the employees assigned to the part of the activities that the corporation continues to carry on after that subsequent time.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 174; 2004, c. 21, s. 367.

**Assistance, benefit or advantage deemed nil.**

**1029.8.36.72.12.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of the corporation ends in relation to a calendar year, in respect of a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of paragraph *a* or *b* of section 1029.8.36.72.7, as the case may be, the amount of the salaries or wages paid by the corporation in its base period, in relation to the business, so as to cause the corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be zero.

History: 2001, c. 51, s. 182.

**Corporations deemed to be associated.**

**1029.8.36.72.13.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2001, c. 51, s. 182.

**1029.8.36.72.14.** *(Repealed).*

History: 2001, c. 51, s. 182; 2003, c. 29, s. 135; O.C. 222-2004; 2005, c. 1, s. 245.

**DIVISION II.6.6.2****CREDIT FOR JOB CREATION IN THE ALUMINUM INDUSTRY IN THE SAGUENAY-LAC-SAINT-JEAN AREA**§1. — *Definitions and general***Definitions:****1029.8.36.72.15.** In this division,**“base amount”;**

“base amount” of a corporation, in relation to a particular recognized business, means

(a) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *c* of the definition of “recognized business”; and

(b) in any other case, the aggregate of all amounts each of which is

i. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on the particular recognized business, in respect of a period within its base period, in relation to the particular recognized business for which the employee was an eligible employee of the corporation or would have been an eligible employee of the corporation if the establishment where the employee so reported had been situated in the Saguenay-Lac-Saint-Jean area, or

ii. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on any given business that is not a recognized business, in respect of a period within its base period, in relation to the particular recognized business for which the employee would have been an eligible employee of the corporation if the given business had been a recognized business of the corporation and if, in the event that the establishment of the corporation where the employee so reported for work was not situated in the Saguenay-Lac-Saint-Jean area, the establishment where the employee so reported had been situated in the Saguenay-Lac-Saint-Jean area, unless an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business;

**“base period”;**

“base period” of a corporation, in relation to a recognized business, means the calendar year preceding the calendar year in which the eligibility period of a corporation in relation to the recognized business begins;

**“eligibility period”;**

“eligibility period” of a corporation, in relation to a recognized business, means, subject to the second paragraph,

the period that begins on 1 January of the first calendar year in respect of which the corporation obtains its qualification certificate in relation to the recognized business and that ends on 31 December 2002;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a period within the year for which the employee is an eligible employee, in relation to a recognized business of the corporation; or

(b) the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in respect of a period within the year for which the employee would be an eligible employee of the corporation if the establishment where the employee so reported for work had been situated in the Saguenay-Lac-Saint-Jean area;

**“eligible employee”;**

“eligible employee” of a corporation for a period within a calendar year, in relation to a recognized business of the corporation, means an employee who, during that period, reports for work at an establishment of the corporation situated in the Saguenay-Lac-Saint-Jean area and who, throughout that period, spends, when at work, at least 75% of the time undertaking, supervising or supporting, in the course of the carrying on by the corporation of the recognized business or another recognized business of the corporation in the year, work that is related to activities described in the qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of such a recognized business and that consists in

(a) work that is directly related to the manufacturing or, as the case may be, the commercialization of finished or semi-finished products made from aluminum having already undergone primary processing or of specialized equipment for businesses producing or processing aluminum;

(b) work that is directly related to design work or engineering work in relation to the manufacturing of finished or semi-finished products made from aluminum having already undergone primary processing or of specialized equipment for businesses producing or processing aluminum; or

(c) work that is directly related to reclamation and recycling of waste and residues from the processing of aluminum;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the qualified corporation to an employee,

for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.16 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.16 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*b*) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.17 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in the Saguenay–Lac-Saint-Jean area, for its taxation year in which the preceding calendar year ended, the amount by which the amount would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(*c*) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the corporation to

an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.18 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.18 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and the amount determined in accordance with that section 1029.8.36.72.18 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, has an establishment in Québec and carries on a qualified business in Québec, other than

(*a*) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends; or

(*b*) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a business carried on by the corporation in the year and in respect of which a qualification certificate is issued by Investissement Québec for the purposes of this division certifying that its activities are

(*a*) the manufacturing and, as the case may be, the commercialization of finished or semi-finished products made from aluminum which has already undergone primary processing;

(*b*) the manufacturing and, as the case may be, the commercialization of specialized equipment for businesses producing or processing aluminum; or

(*c*) the reclamation and recycling of waste and residues from the processing of aluminum;



**“Saguenay–Lac-Saint-Jean area”;**

“Saguenay–Lac-Saint-Jean area” means the Saguenay–Lac-Saint-Jean administrative region;

**“salary or wages”.**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of the activities or products of a business described in any of paragraphs *a* to *c* of the definition of “recognized business”, directors’ fees, premiums, overtime compensation for hours done in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, overtime compensation for hours done in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.

**Continuation of a business.**

Except where section 1029.8.36.72.23 or 1029.8.36.72.24 applies, where, in a taxation year, a corporation carries on a business in respect of which a qualification certificate has been issued by Investissement Québec, and the business, according to Investissement Québec, is the continuation of a recognized business or part of a recognized business previously carried on by another corporation, the eligibility period of the corporation in relation to the recognized business is deemed, for the purposes of the definition of “eligibility period” in the first paragraph, to have begun on the date on which the eligibility period of the other corporation began, in relation to the recognized business.

**Employee’s work reporting location.**

For the purposes of this division,

(a) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in the Saguenay–Lac-Saint-Jean area and at an establishment of the qualified corporation situated outside the Saguenay–Lac-Saint-Jean area, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the Saguenay–Lac-Saint-Jean area, or

ii. to report for work only at the establishment situated outside the Saguenay–Lac-Saint-Jean area if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside the Saguenay–Lac-Saint-Jean area;

(a.1) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the

qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside Québec; and

(b) where, during a period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Rules relating to a recognized business.**

For the purposes of the definition of “recognized business” in the first paragraph,

(a) manufacturing activities carried on outside the Saguenay–Lac-Saint-Jean area do not constitute activities of a recognized business;

(b) the installation by a corporation of a product or specialized equipment described in the definition of “recognized business” constitutes an activity of a recognized business where the product or specialized equipment is the result of the manufacturing activity carried on by the corporation or a corporation with which it is associated; and

(c) a corporation is deemed to carry on in a taxation year a business described in paragraph *a* or *b* of that definition, where

i. in the year, the corporation causes to be carried on on its behalf activities relating to the manufacturing of finished or semi-finished products made from aluminum having already undergone primary processing, or activities relating to the manufacturing of specialized equipment for businesses producing or processing aluminum, in this subparagraph referred to as “particular activities”, and

ii. in the year, the corporation carries on design work and engineering work in relation to the particular activities.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

**Cancellation of certificate.**

Where Investissement Québec cancels, at the request of a corporation, a qualification certificate issued to the corporation, in relation to a recognized business, the certificate so cancelled is not a revoked certificate for the purposes of Part III.10.1.3.

History: 2001, c. 51, s. 182; 2001, c. 69, s. 12; 2002, c. 9, s. 92; 2002, c. 40, s. 175; 2003, c. 2, s. 265; 2003, c. 9, s. 287; 2004, c. 21, s. 368; 2005, c. 23, s. 193; 2005, c. 38, s. 259.

§2. — *Credits***Credit.**

**1029.8.36.72.16.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business, and that encloses the documents referred to in the fourth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *c* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.15, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation's base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business it carries on in the calendar year;

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Adjustment for the base period.**

Where the first paragraph applies to the taxation year that includes the end of the calendar year 2001 or 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 1999 or 2000, or where it applies to the taxation year that includes the end of the calendar year 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph *i* of subparagraph *a* of the first paragraph, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends, in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to a recognized business.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 176; 2003, c. 2, s. 266; 2003, c. 9, s. 288; 2004, c. 21, s. 369; 2005, c. 38, s. 260.

**Credit for associated corporations.**

**1029.8.36.72.17.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business, and encloses the documents referred to in the fifth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *c* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.15, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation's base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business,

ii. the amount by which the aggregate of all amounts each of which is the qualified corporation's eligible amount for the calendar year or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the

calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the calendar year for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in the Saguenay–Lac-Saint-Jean area, the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, exceeds the total of

(1) the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business it carries on in the calendar year, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the qualified corporation's base period in relation to a recognized business it carries on in the calendar year, for which the employee would have been an eligible employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in the Saguenay–Lac-Saint-Jean area, the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, unless an amount is included, in respect of the employee, in relation to the other corporation, in computing the amount determined for the calendar year under this subparagraph 2 in relation to another recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business it carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Restriction.**

Where the qualified corporation referred to in subparagraph *a* of the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the Saguenay–Lac-Saint-Jean area in the taxation year during which the calendar year ends, the amount determined under subparagraph *a* shall not exceed

the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.18.

#### Adjustment for the base period.

Where the first paragraph applies to the taxation year that includes the end of the calendar year 2001 or 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 1999 or 2000, or where it applies to the taxation year that includes the end of the calendar year 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph or subparagraph 2 of subparagraph ii of that subparagraph *a*, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends, in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to a recognized business; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.18 filed in prescribed form.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 93; 2002, c. 40, s. 177; 2003, c. 2, s. 267; 2003, c. 9, s. 289; 2004, c. 21, s. 370; 2005, c. 38, s. 261.

#### Agreement on attribution.

**1029.8.36.72.18.** The agreement to which the second paragraph of section 1029.8.36.72.17 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business and that are associated with each other at the end of the calendar year, hereinafter called the "group of associated corporations", attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a period within the calendar year for which the employee is an eligible employee of the corporation, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations in relation to a recognized business it carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *c* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.15, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in a period within the qualified corporation's base period in relation to a recognized business it carries on in the calendar year, for which the employee is an eligible employee of the corporation in relation to the recognized business;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business it carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the salary or wages paid by another qualified corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the calendar year for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in the Saguenay–Lac-Saint-Jean area, the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business it carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid by the other corporation in respect of a period within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business it carries on in the calendar year for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in the Saguenay–Lac-Saint-Jean area, the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized

business carried on by a qualified corporation that is a member of the group of associated corporations.

#### Adjustment for the base period.

However, for the purposes of the first paragraph, where the calendar year referred to in the first paragraph is the calendar year 2001 or 2002 and the base period of the qualified corporation that is a member of the group of associated corporations, in relation to the recognized business, is the calendar year 1999 or 2000, or where that calendar year is the calendar year 2002 and the base period of the qualified corporation that is a member of the group of associated corporations, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph ii of subparagraph *a* or *c* of the first paragraph, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

History: 2001, c. 51, s. 182; 2003, c. 9, s. 290; 2004, c. 21, s. 371.

#### **1029.8.36.72.19.** (*Repealed*).

History: 2001, c. 51, s. 182; 2002, c. 40, s. 178.

#### Deemed attribution.

**1029.8.36.72.20.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.18, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.17, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2001, c. 51, s. 182; 2003, c. 9, s. 291; 2004, c. 21, s. 372.

#### §3. — *Government assistance, non-government assistance and other particulars*

#### Reduction of expenditure.

**1029.8.36.72.21.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under

section 1029.8.36.72.16 or 1029.8.36.72.17, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.15, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.16 or subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.17 and paid by the corporation, and the amount of the salaries or wages referred to in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.17 and paid by a corporation associated with the corporation shall be reduced, where applicable,

i. by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that reduced the amount of salaries or wages referred to in subparagraph ii,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.18 to one or more of their number, shall be reduced, where applicable,

i. by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any

amount of government assistance that reduced the amount of salaries or wages referred to in subparagraph ii,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the particular qualified corporation.

#### **Restriction.**

The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a period within the qualified corporation’s base period in relation to a recognized business, shall not exceed, for each of those corporations, the aggregate of all amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the corporation, in relation to the recognized business, in respect of the calendar year ending in its particular taxation year.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 94; 2002, c. 40, s. 179; 2003, c. 9, s. 292.

#### **Deemed repayment of assistance.**

**1029.8.36.72.22.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.21, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of section 1029.8.36.72.16 or 1029.8.36.72.17, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.21, the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.18 determined, in respect

of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 180; 2003, c. 9, s. 293; 2004, c. 21, s. 373.

**Rules applicable in cases of amalgamation.**

**1029.8.36.72.23.** Where a corporation, in this section referred to as the “new corporation”, resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a “predecessor corporation”, carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

**Consolidation of businesses.**

In addition, for the purposes of this division, where the new corporation carries on after the amalgamation a recognized business resulting from the consolidation of recognized businesses carried on by predecessor corporations, immediately before the amalgamation, each recognized business so carried on before the amalgamation is deemed to be a separate recognized business carried on by the new corporation after the amalgamation.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 181; 2003, c. 9, s. 294.

**Rules applicable where a subsidiary is wound-up.**

**1029.8.36.72.24.** Where the rules in sections 556 to 564.1 and 565 apply to the winding-up of a subsidiary, within the meaning of section 556, and the parent corporation, within the meaning of section 556, carries on after the winding-up a business carried on before the winding-up by the subsidiary, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which the calendar year in which the winding-up occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

**Consolidation of businesses.**

In addition, for the purposes of this division, where the parent corporation carried on after the winding-up a recognized business resulting from the consolidation of a recognized business carried on by the parent corporation immediately before the winding-up and a recognized business carried on by the subsidiary immediately before the winding-up, each recognized business so carried on before the winding-up is deemed to be a separate recognized business carried on by the parent corporation after the winding-up.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 182; 2003, c. 9, s. 295.

**Decrease in or cessation of activities.**

**1029.8.36.72.25.** Subject to sections 1029.8.36.72.23 and 1029.8.36.72.24, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business the activities of which are described in any of paragraphs *a* to *c* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.15, diminish or cease and it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, in relation to a particular recognized business, for the taxation year in which the particular calendar year ends and for the taxation year in which a subsequent calendar year ends:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period in relation to the particular recognized business for which the employee is an eligible employee, is deemed to be equal to the amount by which the amount otherwise determined exceeds the amount determined by the formula

$$A \times C \times D, \text{ and}$$

ii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which the amount otherwise determined, without reference to subparagraph i, exceeds the amount determined by the formula

$$B \times C \times D;$$

(b) if the vendor was not carrying on a recognized business before the particular time and the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year, the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.16 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.17, as the case may be, is deemed to be equal to the amount by which the amount determined, without reference to this subparagraph, exceeds the amount determined by the formula

$$B \times C \times D;$$

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid in respect of the purchaser's base period, in relation to the particular recognized business, to employees referred to in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.16, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.17 or in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.18, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages paid by the purchaser to an employee in respect of a period within the particular calendar year for which the employee is an eligible employee, in relation to the particular recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid to employees in respect of a period within the particular calendar year for which the employees are eligible employees, in relation to the particular recognized business, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate determined in relation to the particular recognized business,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount, otherwise determined, without reference to subparagraph i, in relation to the particular recognized business, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee who reports for work at an

establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and

iv. to have an eligible amount for the particular calendar year, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's eligible amount for the particular calendar year, otherwise determined, without reference to subparagraph ii, in relation to the particular recognized business, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business; and

(d) if the purchaser does not carry on a recognized business after the particular time and the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year, the purchaser is deemed to have paid

i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and



ii. in respect of the particular calendar year, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business.

#### Interpretation.

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(*a*) *A* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period, in relation to the particular recognized business for which the employee is an eligible employee;

(*b*) *B* is the aggregate of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that the vendor paid in respect of a period, within the base period, in relation to the particular recognized business, for which the employee was an eligible employee of the vendor or would have been an eligible employee of the vendor if the employee's work had been related to activities of a recognized business of the vendor or if, in the event that the establishment of the vendor where the employee so reported for work was not situated in the Saguenay–Lac-Saint-Jean area, the establishment where the employee reported for work had been situated in the Saguenay–Lac-Saint-Jean area, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;

(*c*) *C* is the proportion that the number of the vendor's employees referred to in subparagraph *a* or *b*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(*d*) *D*, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, is the proportion that the number of days in the particular calendar year following the particular time is of 365 and, in any other case, 1.

#### Exception.

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular

corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

#### Exception.

Where a particular corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to part of those activities, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed not to have paid to its employees the portion of the salaries or wages that may reasonably be considered to have been paid to the employees of the corporation assigned to the part of the activities that the particular corporation ceases to carry on after the subsequent time.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 183; 2003, c. 9, s. 296; 2004, c. 21, s. 374.

#### Assistance, benefit or advantage deemed nil.

**1029.8.36.72.26.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of a particular corporation ends in relation to a recognized business it carries on, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.21, as the case may be, the amount of the salaries or wages paid by the particular corporation or a corporation that is associated with the particular corporation, in respect of the base period, in relation to the recognized business, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be zero.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 184; 2003, c. 9, s. 297.

#### Corporations deemed to be associated.

**1029.8.36.72.27.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to

cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2001, c. 51, s. 182.

**1029.8.36.72.28.** *(Repealed).*

History: 2001, c. 51, s. 182; 2001, c. 69, s. 12; 2002, c. 40, s. 185; 2003, c. 9, s. 298; 2005, c. 1, s. 245.

**DIVISION II.6.6.3**

**CREDIT FOR JOB CREATION IN THE  
MANUFACTURING OR ENVIRONMENTAL  
SECTOR IN THE ANGUS TECHNOPOLE**

§1. — *Definitions and general*

**Definitions:**

**1029.8.36.72.29.** In this division,

**“Angus Technopole”;**

“Angus Technopole” means a site situated in the territory of Ville de Montréal and determined by the Minister of Finance to be the Angus Technopole;

**“base amount”;**

“base amount” of a corporation, in relation to a calendar year, means the amount that would be the eligible amount of the corporation for its base period in relation to the calendar year if the reference to a calendar year, in the definition of “eligible amount”, were replaced by a reference to a base period in relation to a calendar year or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.39 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero;

**“base period”;**

“base period” of a corporation, in relation to a calendar year, means the period within the preceding calendar year during which a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, was carried on in Québec by the corporation;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in a pay period, within the year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec that were paid by the corporation in a pay period, within the year, for which the employee would be an eligible employee of the corporation if the establishment where the

employee so reported for work were situated in the Angus Technopole;

**“eligible employee”;**

“eligible employee” for a pay period within a calendar year means an employee, other than an excluded employee at any time in that period, who, during that period, reports for work at an establishment of the employer situated in the Angus Technopole and who, throughout that period, spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to manufacturing, recycling or site purification and decontamination activities, or, as the case may be, the commercialization of products or services resulting therefrom and that constitutes a business carried on by the employer in the Angus Technopole;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of paragraph a of section 1029.8.36.72.35 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph a of the first paragraph of section 1029.8.36.72.30 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph a in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph a of the first paragraph of section 1029.8.36.72.30 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(b) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of paragraph a of section 1029.8.36.72.35 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph a of the first paragraph of section 1029.8.36.72.31 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in the Angus Technopole for its taxation year in which the preceding calendar year

ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(c) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of paragraph *b* of section 1029.8.36.72.35 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.32 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.32 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.32 had been attributed to a corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.31 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“excluded employee”;**

“excluded employee” at a particular time means an employee of a corporation who, at that time, is a specified shareholder of that corporation or, where the corporation is a cooperative, a specified member of that corporation;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, has an establishment in Québec and carries on a qualified business in Québec, other than

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends;

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192; or

(c) a corporation control of which is acquired at any time in the calendar year or a preceding calendar year, but after 11 June 2003, by a person or group of persons, unless the acquisition of control

i. occurs before 1 July 2004 and Investissement Québec certifies that it results from a transaction that was sufficiently advanced on 11 June 2003 and was binding on the parties on that date,

ii. is by a corporation carrying on at that time a recognized business, by a person or group of persons that controls such a corporation or by a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation,

iii. derives from the exercise after 11 June 2003 of one or more rights described in paragraph *b* of section 20 that were acquired before 12 June 2003, or

iv. derives from the performance after 11 June 2003 of one or more obligations described in the third paragraph of section 21.3.5 that were contracted before 12 June 2003;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a manufacturing business or a manufacturing and commercializing business in the manufacturing or environmental sector carried on by the corporation in the year and in respect of which a qualification certificate was issued by Investissement Québec;

**“salary or wages”;**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of goods or services resulting from manufacturing, recycling or site purification and decontamination activities, directors’ fees, premiums, overtime compensation for hours done in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, overtime compensation for hours done in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III;

**“specified member”.**

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative.

**Eligible employee.**

For the purposes of the definition of “eligible employee” in the first paragraph,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in the Angus Technopole and at an establishment of the qualified corporation situated outside the Angus Technopole, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the Angus Technopole, or

ii. to report for work only at the establishment situated outside the Angus Technopole if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside the Angus Technopole; and

(b) where, during a pay period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in the Angus Technopole, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Eligible employee.**

For the purposes of the definition of “eligible amount” in the first paragraph,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the corporation situated outside Québec; and

(b) where, during a pay period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties

performed by the employee during that period are performed mainly in Québec.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2001, c. 51, s. 182; 2001, c. 69, s. 12; 2002, c. 9, s. 95; 2002, c. 40, s. 186; 2003, c. 2, s. 268; 2004, c. 21, s. 375; 2005, c. 38, s. 262; 2006, c. 13, s. 154.

**§2. — Credits****Credit.**

**1029.8.36.72.30.** A qualified corporation for a calendar year after the calendar year 1999 and before the calendar year 2007 that is not associated with any other corporation at the end of the calendar year and that encloses the documents referred to in the second paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) if, in the taxation year, the qualified corporation carries on a recognized business in the Angus Technopole, the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the qualified corporation’s base period in relation to the calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.39 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero, and

ii. the amount by which the qualified corporation’s eligible amount for the calendar year exceeds the qualified corporation’s base amount in relation to that calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

- (a) the prescribed form containing the prescribed information; and
- (b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to the recognized business.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

- (a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and
- (b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2001, c. 51, s. 182; 2003, c. 2, s. 269; 2003, c. 9, s. 299; 2004, c. 21, s. 376; 2005, c. 38, s. 263.

**Credit in the case of associated corporations.**

**1029.8.36.72.31.** A qualified corporation for a calendar year after the calendar year 1999 and before the calendar year 2007 that is associated with one or more other corporations at the end of the calendar year and encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) if, in the taxation year, the qualified corporation carries on a recognized business in the Angus Technopole, subject to the second paragraph, the least of

- i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in a pay period, within the qualified corporation's base period in relation to the calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.39 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero,
  - ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the eligible amount for the calendar year of each corporation with which the qualified corporation is associated at the end of the calendar year exceeds the aggregate of the qualified corporation's base amount in relation to that calendar year and the base amount of each corporation with which the qualified corporation is associated at the end of that calendar year in relation to that calendar year, and
  - iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount in relation to that calendar year; and
- (b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Restriction.**

Where the qualified corporation referred to in subparagraph *a* of the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the Angus Technopole in the taxation year during which the calendar year ends, the amount determined under subparagraph *a* shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.32.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

- (a) the prescribed form containing the prescribed information;
- (b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to the recognized business; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.32 in prescribed form.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 96; 2003, c. 2, s. 270; 2003, c. 9, s. 300; 2004, c. 21, s. 377; 2005, c. 38, s. 264.

#### Agreement on attribution.

**1029.8.36.72.32.** The agreement to which the second paragraph of section 1029.8.36.72.31 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business in the Angus Technopole and that are associated with each other at the end of that calendar year attribute to one or more of their number, for the purposes of this division, one or more amounts the aggregate of which for the calendar year does not exceed the lesser of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by one such corporation to an employee in a pay period, within the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in a pay period, within the corporation's base period in relation to that calendar year, for which the employee is an eligible employee or, where the calendar year, except in the case of a

corporation that results from an amalgamation or a corporation to which section 1029.8.36.72.39 applies in relation to the calendar year, ends in the first taxation year of the corporation, an amount equal to zero; and

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of one such corporation for the calendar year exceeds the aggregate of all amounts each of which is the base amount of one such corporation in relation to that calendar year.

History: 2001, c. 51, s. 182; 2004, c. 21, s. 378.

#### **1029.8.36.72.33.** *(Repealed).*

History: 2001, c. 51, s. 182; 2004, c. 21, s. 379.

#### Deemed attribution.

**1029.8.36.72.34.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under paragraph *a* or *b* of section 1029.8.36.72.32, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.31, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2001, c. 51, s. 182; 2004, c. 21, s. 380.

#### §3. — *Government assistance, non-government assistance, contract payments and other particulars*

#### Reduction of expenditure.

**1029.8.36.72.35.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under section 1029.8.36.72.30 or 1029.8.36.72.31, the following rules apply:

(a) the amount of the salaries or wages referred to in the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.29, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.30 or subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.31 paid by the corporation and the amount of the salaries or wages referred to in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.31 paid by a corporation associated with the corporation shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the

salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.32 to one or more of their number, shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed

the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

History: 2001, c. 51, s. 182; 2002, c. 9, s. 97; 2002, c. 40, s. 187; 2006, c. 13, s. 156.

#### Deemed repayment of assistance.

**1029.8.36.72.36.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in paragraph *a* of section 1029.8.36.72.35, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of section 1029.8.36.72.30 or 1029.8.36.72.31, or

ii. in the case of assistance referred to in paragraph *b* of section 1029.8.36.72.35, the excess amount referred to in paragraph *a* of section 1029.8.36.72.32 determined, in respect of a calendar year in relation to all of the qualified corporations carrying on a recognized business in the Angus Technopole and that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 188; 2004, c. 21, s. 381.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.37.** For the purposes of this division, the following rules apply to a corporation, in this section referred to as the "new corporation", resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which is referred to in this section as a "predecessor corporation":

(a) if the new corporation has a base period, in relation to a calendar year, of less than 365 days, its base period, otherwise determined in relation to the calendar year, is deemed to include the period of the preceding calendar year, in this section referred to as the "preceding period", commencing on the day on which a recognized business, or a business that would have been a recognized business if a

qualification certificate had been issued in its respect, was first carried on in Québec by one of the predecessor corporations, and ending immediately before the amalgamation; and

(b) for the purpose of determining the amount that the new corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year ends, the new corporation is deemed to have paid, in the preceding period, the aggregate of all amounts each of which is the salary or wages paid by a predecessor corporation to an employee in a pay period, within the preceding period, for which the employee

- i. is an eligible employee of the predecessor corporation, or
- ii. if the employee reports for work at an establishment of the predecessor corporation situated in Québec, would be an eligible employee of the predecessor corporation if the establishment where the employee so reported for work had been situated in the Angus Technopole.

#### Predecessor corporation.

For the purposes of this section, a predecessor corporation includes any corporation in respect of which the predecessor corporation was a new corporation.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 189; 2004, c. 21, s. 382.

#### Rules applicable where a subsidiary is wound-up.

**1029.8.36.72.38.** For the purposes of this division, where the rules in sections 556 to 564.1 and 565 apply to the winding-up of a subsidiary, within the meaning of section 556, the following rules apply:

(a) if the parent corporation, within the meaning of section 556, has a base period, in relation to a calendar year, of less than 365 days, its base period, otherwise determined in relation to the calendar year, is deemed to include the period of the preceding calendar year, in this section referred to as the “preceding period”, commencing on the day on which a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, was first carried on in Québec by the subsidiary, and ending immediately before the beginning of the parent corporation’s base period otherwise determined; and

(b) for the purpose of determining the amount that the parent corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year ends, the parent corporation is deemed to have paid, in the preceding period, the aggregate of all amounts each of which is the salary or wages paid by the subsidiary to an employee in a pay period, within the preceding period, for which the employee

- i. is an eligible employee of the subsidiary, or

ii. if the employee reports for work at an establishment of the subsidiary situated in Québec, would be an eligible employee of the subsidiary if the establishment where the employee so reported for work had been situated in the Angus Technopole.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 190; 2004, c. 21, s. 383.

#### Decrease in or cessation of activities.

**1029.8.36.72.39.** Subject to sections 1029.8.36.72.37 and 1029.8.36.72.38, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business that would be a recognized business if a qualification certificate had been issued in its respect, diminish or cease, and where it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after that time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the particular calendar year ends and for the taxation year in which the following calendar year ends:

(a) the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within the vendor’s base period in relation to the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period, within the vendor’s base period in relation to the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole, is deemed to be equal to the amount by which the aggregate otherwise determined exceeds the amount determined by the formula

$$A \times B \times C;$$

(b) the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period of the particular calendar year preceding the particular time for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period of the particular calendar year preceding the particular time for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole, is deemed, for the purpose of determining the amount that the vendor is deemed to have paid to the Minister under this division for the taxation year



in which the calendar year following the particular calendar year ends, to be equal to the amount by which the aggregate otherwise determined exceeds the amount determined by the formula

$B \times D$ ; and

(c) the purchaser is deemed

i. to have an eligible amount for the particular calendar year equal to the aggregate of its eligible amount for the year otherwise determined and the amount that is that proportion of the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period, within the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole, to the extent that the employee may reasonably be considered to have been assigned to the carrying on of the part of the activities that diminished or ceased at the particular time, that the number of days in the particular calendar year that precede the particular time is of the number of days in the particular calendar year that precede the particular time and during which the vendor carried on those activities, and

ii. to have a base amount in relation to the particular calendar year equal to the aggregate of

(1) the base amount of the purchaser otherwise determined in relation to the particular calendar year,

(2) the amount that is that proportion of the salary or wages paid by the vendor to an employee in a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period, within the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that diminished or ceased at the particular time, that the number of days in the particular calendar year that precede the particular time is of the number of days in the particular calendar year that precede the particular time and during which the vendor carried on those activities, and

(3) the aggregate of all amounts each of which is the salary or wages paid by the purchaser to an employee in a pay period of the particular calendar year and after the particular time, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an

establishment of the purchaser situated in Québec, that were paid by the purchaser in a pay period of the particular calendar year and after the particular time, for which the employee would be an eligible employee of the purchaser if the establishment where the employee so reported for work were situated in the Angus Technopole, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time.

**Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) *A* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period, within the vendor's base period for the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period, within the vendor's base period in relation to the particular calendar year, for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole;

(b) *B* is the proportion that the number of the vendor's employees referred to in subparagraph *a* who are assigned to the part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time;

(c) *C*, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, is the proportion that the number of days in the particular calendar year following the particular time is of 365; and

(d) *D* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in a pay period of the particular calendar year preceding the particular time for which the employee is an eligible employee, or the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec, that were paid by the vendor in a pay period of the particular calendar year preceding the particular time for which the employee would be an eligible employee of the vendor if the establishment where the employee so reported for work were situated in the Angus Technopole

**Exception.**

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply

to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

**Exception.**

For the purposes of this section, where a corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, that corporation is a vendor in relation to part of those activities, the following rules apply for the purpose of determining the eligible amount of the corporation for the year and its base amount in relation to that year:

(a) the corporation's employees are deemed to have been paid by the corporation only the portion of the salaries or wages that may reasonably be considered to have been paid to the employees assigned to the part of the activities that the corporation continues to carry on after that subsequent time; and

(b) the person's or partnership's employees are deemed to have been paid by the person or partnership only the portion of the salaries or wages that may reasonably be considered to have been paid to the employees assigned to the part of the activities that the corporation continues to carry on after that subsequent time.

History: 2001, c. 51, s. 182; 2002, c. 40, s. 191; 2004, c. 21, s. 384.

**Assistance, benefit or advantage deemed nil.**

**1029.8.36.72.40.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of the corporation ends in relation to a calendar year, in respect of a recognized business, or a business that would have been a recognized business if a qualification certificate had been issued in its respect, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of paragraph *a* or *b* of section 1029.8.36.72.35, as the case may be, the amount of the salaries or wages paid by the corporation in its base period, in relation to the business, so as to cause the corporation to be deemed to have paid an amount to the

Minister under this division for a taxation year or to increase an amount that the corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be zero.

History: 2001, c. 51, s. 182.

**Corporation deemed to be associated.**

**1029.8.36.72.41.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2001, c. 51, s. 182.

**1029.8.36.72.42.** (*Repealed*).

History: 2001, c. 51, s. 182; 2001, c. 69, s. 12; 2005, c. 1, s. 245.

**DIVISION II.6.6.4**

**CREDIT FOR JOB CREATION IN THE GASPÉSIE REGION AND IN CERTAIN MARITIME REGIONS OF QUÉBEC**

§1. — *Definitions and general*

**Definitions:**

**1029.8.36.72.43.** In this division,

“*base amount*”;

“*base amount*” of a corporation, in relation to a particular recognized business, means

(a) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *f* of the definition of “*recognized business*”; and

(b) in any other case, the aggregate of all amounts each of which is

i. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on that particular recognized business, in respect of a period within its base period, in relation to the particular recognized business, for which the employee was an eligible employee or would have been an eligible employee of the corporation if the establishment where the employee so reported had been situated in an eligible region, or

ii. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on any given business that is not a recognized business, in respect of a period within its base period, in relation to the particular recognized business, for which the employee would have been an eligible employee of the corporation if the given business had been a recognized business of the corporation and if, in the event that the establishment of the corporation where the employee so reported for work was not situated in an eligible region, the establishment where the employee so reported had been situated in an eligible region, unless an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business;

**“base period”;**

“base period” of a corporation, in relation to a recognized business, means the calendar year that precedes the calendar year in which the eligibility period of a corporation in relation to the recognized business begins;

**“eligibility period”;**

“eligibility period” of a corporation, in relation to a recognized business, means, subject to the second paragraph, the period that begins on 1 January of the first calendar year in respect of which the corporation obtains its qualification certificate in relation to the recognized business and that ends on 31 December 2002;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a period within the year for which the employee is an eligible employee, in relation to a recognized business of the corporation; or

(b) the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec that were paid by the corporation in respect of a period within the year for which the employee would be an eligible employee of the corporation if the establishment where the employee so reported for work had been situated in an eligible region;

**“eligible employee”;**

“eligible employee” of a corporation for a period within a calendar year, in relation to a recognized business of the corporation, means an employee who, during that period, reports for work at an establishment of the corporation situated in an eligible region and who, throughout that period, spends, when at work, at least 75% of the time undertaking, supervising or supporting, in the course of the carrying on by the corporation of the recognized business or another recognized business of the corporation in the year, work that is directly related to activities described in any of paragraphs *a* to *f* of the definition of “recognized business” and in the qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of such a recognized business;

**“eligible region”;**

“eligible region” means

(a) in respect of a business described in paragraph *a* of the definition of “recognized business”, or in paragraph *f* of that definition in relation to a business the activities of which are related to a business described in that paragraph *a*, the Municipalité régionale de comté de Matane or one of the following administrative regions described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1):

i. administrative region 11 Gaspésie–Îles-de-la-Madeleine,

ii. administrative region 09 Côte-Nord;

(a.1) in respect of a business described in paragraph *b* of the definition of “recognized business”, or in paragraph *f* of that definition in relation to a business the activities of which are related to a business described in that paragraph *b*, the administrative region 01 Bas-Saint-Laurent and the administrative regions described in subparagraphs i and ii of paragraph *a*;

(b) in respect of a business described in any of paragraphs *c* and *d* of the definition of “recognized business”, or in paragraph *f* of that definition in relation to a business the activities of which are related to any of the businesses described in paragraphs *c* and *d*, the Municipalité régionale de comté de Matane or the administrative region described in subparagraph i of paragraph *a*; and

(c) in respect of a business described in paragraph *e* of the definition of “recognized business”, or in paragraph *f* of that definition in relation to a business the activities of which are related to a business described in that paragraph *e*, one of the administrative regions described in subparagraphs i and ii of paragraph *a*;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the qualified corporation to an employee for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.44 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.44 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(b) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.45 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in an eligible region for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(c) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.46 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.46 in relation to that preceding calendar year, each of the amounts

of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and the amount determined pursuant to that section 1029.8.36.72.46 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends; or

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a business carried on by the corporation in the year and in respect of which a qualification certificate is issued by Investissement Québec for the purposes of this division certifying that its activities are

(a) the processing and, as the case may be, the commercialization of marine products;

(b) the manufacturing, processing and, as the case may be, the commercialization of finished or semi-finished products in the field of marine biotechnology;

(c) the manufacturing and, as the case may be, the commercialization of wind turbines or specialized equipment for the production of wind power;

(d) the production of wind power;

(e) mariculture or the manufacturing of specialized equipment for mariculture and, as the case may be, the commercialization of such activities; or

(f) activities related to the activities described in paragraphs *a* to *e*;

**“salary or wages”.**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of the activities or products of a business described in any of paragraphs *a* to *f* of the definition of

“recognized business”, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.

#### **Continuation of a business.**

Except where section 1029.8.36.72.50 or 1029.8.36.72.51 applies, where, in a taxation year, a corporation carries on a business in respect of which a qualification certificate has been issued by Investissement Québec, and the business, according to Investissement Québec, is the continuation of a recognized business or part of a recognized business previously carried on by another corporation, the eligibility period of the corporation in relation to the recognized business is deemed, for the purposes of the definition of “eligibility period” in the first paragraph, to have begun on the date on which the eligibility period of the other corporation began, in relation to the recognized business.

#### **Employee’s work reporting location.**

For the purposes of this division,

(a) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible region and at an establishment of the qualified corporation situated outside the eligible region, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the eligible region, or

ii. to report for work only at the establishment situated outside the eligible region if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the eligible region;

(a.1) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(b) where, during a period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s

salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

#### **Recognized business.**

For the purposes of the definition of “recognized business” in the first paragraph,

(a) the following activities do not constitute activities of a recognized business:

i. food manufacturing or processing activities carried on in restaurants, hotels, shopping centres, supermarkets, grocery stores or other similar establishments, and

ii. manufacturing or processing activities carried on outside an eligible region; and

(b) the installation by a corporation of a product or specialized equipment referred to in the definition of “recognized business” constitutes an activity of a recognized business, where the product or specialized equipment is the result of the manufacturing or processing activity carried on by the corporation or a corporation with which it is associated.

#### **Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

#### **Cancellation of certificate.**

Where Investissement Québec cancels, at the request of a corporation, a qualification certificate issued to the corporation, in relation to a recognized business, the certificate so cancelled is not a revoked certificate for the purposes of Part III.10.1.5.

History: 2002, c. 9, s. 98; 2002, c. 40, s. 192; 2003, c. 9, s. 301; 2004, c. 21, s. 385; 2005, c. 23, s. 194.

## **§2. — Credits**

#### **Credit.**

**1029.8.36.72.44.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation’s eligibility period, in relation to a recognized business, and that encloses the documents referred to in the fourth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for

that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *f* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.43, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation’s base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business, and

ii. the amount by which the qualified corporation’s eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business it carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

#### Adjustment for the base period.

Where the first paragraph applies to the taxation year that includes the end of the calendar year 2001 or 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 1999 or 2000, or where it applies to the taxation year that includes the end of the calendar year 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation’s eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to a recognized business.

History: 2002, c. 9, s. 98; 2002, c. 40, s. 193; 2003, c. 9, s. 302; 2004, c. 21, s. 386; 2005, c. 38, s. 265.

#### Credit in the case of associated corporations.

**1029.8.36.72.45.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation’s eligibility period, in relation to a recognized business, and that encloses the documents referred to in the fifth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for

that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business carried on by the qualified corporation in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *f* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.43, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation’s base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business,

ii. the amount by which the aggregate of all amounts each of which is the qualified corporation’s eligible amount for the calendar year or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the calendar year for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, exceeds the total of

(1) the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business it carries on in the calendar year, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the qualified corporation’s base period in relation to a

recognized business it carries on in the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, unless an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business, and

iii. the amount by which the qualified corporation’s eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business it carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Restriction.**

Where the qualified corporation referred to in subparagraph *a* of the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in an eligible region in the taxation year in which the calendar year ends, the amount determined under subparagraph *a* shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.46.

**Adjustment for the base period.**

Where the first paragraph applies to the taxation year that includes the end of the calendar year 2001 or 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 1999 or 2000, or where it applies to the taxation year that includes the end of the calendar year 2002 and the base period of the corporation, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph *i* of subparagraph *a* of the first paragraph or subparagraph 2 of subparagraph *ii* of that subparagraph *a*, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation for the taxation year in relation to a recognized business; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.46 filed in prescribed form.

History: 2002, c. 9, s. 98; 2002, c. 40, s. 194; 2003, c. 9, s. 303; 2004, c. 21, s. 387; 2005, c. 38, s. 266.

**Agreement on attribution.**

**1029.8.36.72.46.** The agreement to which the second paragraph of section 1029.8.36.72.45 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year, hereinafter called the "group of associated corporations", attribute to one or more of their

number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a period within the calendar year for which the employee is an eligible employee of the corporation, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations in relation to a recognized business it carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *f* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.43, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in a period within the qualified corporation's base period in relation to a recognized business it carries on in the calendar year, for which the employee is an eligible employee of the corporation in relation to the recognized business;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business it carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the salary or wages paid by another qualified corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period within the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, exceeds the total of



i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business it carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid by the other corporation in respect of a period within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business it carries on in the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph ii, in relation to a period within a base period in relation to another recognized business that is carried on by a qualified corporation that is a member of the group of associated corporations.

#### Adjustment for the base period.

However, for the purposes of the first paragraph, where the calendar year referred to in the first paragraph is the calendar year 2001 or 2002 and the base period of the qualified corporation that is a member of the group of associated corporations, in relation to the recognized business, is the calendar year 1999 or 2000, or where that calendar year is the calendar year 2002 and the base period of the qualified corporation that is a member of the group of associated corporations, in relation to the recognized business, is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph ii of subparagraph *a* or *c* of the first paragraph, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 304; 2004, c. 21, s. 388.

#### Deemed attribution.

**1029.8.36.72.47.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.46, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.45, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 305; 2004, c. 21, s. 389.

#### §3. — *Government assistance, non-government assistance and other particulars*

#### Reduction of expenditure.

**1029.8.36.72.48.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under section 1029.8.36.72.44 or 1029.8.36.72.45, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.43, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.44 or subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.45 and paid by the corporation, and the amount of the salaries or wages referred to in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.45 and paid by a corporation associated with the corporation shall be reduced, where applicable,

i. by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that reduced the amount of the salaries or wages paid by the qualified corporation under subparagraph ii,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.46 to one or more of their number, shall be reduced, where applicable,

i. by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that reduced the amount of salaries or wages under subparagraph ii,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the particular qualified corporation.

#### Restriction.

The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a period within the qualified corporation's base period in relation to a recognized business, shall not exceed, for each of those corporations, the

aggregate of all amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the corporation, in relation to the recognized business, in respect of the calendar year ending in its particular taxation year.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 306.

#### Deemed repayment of assistance.

**1029.8.36.72.49.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.48, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of section 1029.8.36.72.44 or 1029.8.36.72.45, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.48, the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.46 determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 307; 2004, c. 21, s. 390.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.50.** Where a corporation, in this section referred to as the "new corporation", resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a "predecessor corporation", carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

#### Consolidation of businesses.

In addition, for the purposes of this division, where the new corporation carries on after the amalgamation a recognized business resulting from the consolidation of recognized businesses carried on by predecessor corporations,

immediately before the amalgamation, each recognized business so carried on before the amalgamation is deemed to be a separate recognized business carried on by the new corporation after the amalgamation.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 308.

#### Rules applicable where a subsidiary is wound-up.

**1029.8.36.72.51.** Where the rules in sections 556 to 564.1 and 565 apply to the winding-up of a subsidiary, within the meaning of section 556, and the parent corporation, within the meaning of section 556, carries on after the winding-up a business carried on before the winding-up by the subsidiary, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which the calendar year in which the winding-up occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

#### Consolidation of businesses.

In addition, for the purposes of this division, where the parent corporation carries on after the winding-up a recognized business resulting from the consolidation of a recognized business carried on by the parent corporation immediately before the winding-up and a recognized business carried on by the subsidiary immediately before the winding-up, each recognized business so carried on before the winding-up is deemed to be a separate recognized business carried on by the parent corporation after the winding-up.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 308.

#### Decrease in or cessation of activities.

**1029.8.36.72.52.** Subject to sections 1029.8.36.72.50 and 1029.8.36.72.51, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business the activities of which are described in any of paragraphs *a* to *f* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.43, diminish or cease and it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, in relation to a particular recognized business, for the taxation year in which the particular calendar year ends and for the taxation year in which a subsequent calendar year ends:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period in relation to the particular recognized business for which the employee is an eligible employee, is deemed to be equal to the amount by which the amount otherwise determined exceeds the amount determined by the formula

$A \times C \times D$ , and

ii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which the amount otherwise determined, without reference to subparagraph i, exceeds the amount determined by the formula

$B \times C \times D$ ;

(b) if the vendor was not carrying on a recognized business before the particular time and the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year, the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.45 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.46, as the case may be, is deemed to be equal to the amount by which the amount determined, without reference to this subparagraph, exceeds the amount determined by the formula

$B \times C \times D$ ;

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid in respect of the purchaser’s base period, in relation to the particular recognized business, to employees referred to in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.44, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.45 or in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.46, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee in respect of a period within the particular calendar year for which the employee is an eligible employee, in relation to the particular recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid to employees in respect of a period within the particular calendar year for which the employees are eligible employees, in relation to the particular recognized business, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate determined in relation to the particular recognized business,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount, otherwise determined, without reference to subparagraph i, in relation to the particular recognized business, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in an eligible region, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and

iv. to have an eligible amount for the particular calendar year, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's eligible amount for the particular calendar year, otherwise determined, without reference to subparagraph ii, in relation to the particular recognized business, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business; and

(d) if the purchaser does not carry on a recognized business after the particular time and the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year, the purchaser is deemed to have paid

i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the

aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in an eligible region, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

ii. in respect of the particular calendar year, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business.

#### **Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) A is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period, in relation to the particular recognized business for which the employee is an eligible employee;

(b) B is the aggregate of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that the vendor paid in respect of a period, within the base period, in relation to the particular recognized business, for which the employee was an eligible employee of the vendor or would have been an eligible employee of the vendor if the employee's work had been related to activities of a recognized business of the vendor or if, in the event that the establishment of the vendor where the employee so reported for work was not situated in an eligible region, the establishment where the employee reported had been situated in an eligible region, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;

(c) C is the proportion that the number of the vendor's employees referred to in subparagraph *a* or *b*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(d) D, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, is the proportion that the number of days in the particular calendar year following the particular time is of 365 and, in any other case, 1.

**Exception.**

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

**Exception.**

Where a particular corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to part of those activities, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed not to have paid to its employees the portion of the salaries or wages that may reasonably be considered to have been paid to the employees of the corporation assigned to the part of the activities that the particular corporation ceases to carry on after the subsequent time.

History: 2002, c. 9, s. 98; 2002, c. 40, s. 195; 2003, c. 9, s. 309; 2004, c. 21, s. 391.

**Assistance, benefit or advantage deemed nil.**

**1029.8.36.72.53.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of a particular corporation in relation to a recognized business it carries on ends, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.48, as the case

may be, the amount of the salaries or wages paid by the particular corporation or a corporation that is associated with the particular corporation, in respect of the base period, in relation to the recognized business, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 310.

**Corporation deemed to be associated.**

**1029.8.36.72.54.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2002, c. 9, s. 98.

**1029.8.36.72.55.** (*Repealed*).

History: 2002, c. 9, s. 98; 2003, c. 9, s. 311; 2005, c. 1, s. 245.

**DIVISION II.6.6.5**

**CREDITS FOR THE DEVELOPMENT OF THE  
FIELDS OF BIOTECHNOLOGY AND  
NUTRACEUTICALS**

§1. — *Interpretation and general*

**Definitions:**

**1029.8.36.72.56.** In this division,

“*base amount*”;

“*base amount*” of a corporation in relation to a particular recognized business means

(a) where the particular recognized business is described in paragraph *a* of the definition of “*recognized business*”,

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *a* of the definition of “*recognized business*”, and

ii. in any other case, the aggregate of all amounts each of which is

(1) the salary or wages that were paid by the corporation to an employee in the course of carrying on that particular

recognized business, in respect of a pay period, within its base period, in relation to the particular recognized business, for which the employee is an eligible employee, or

(2) the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business, in respect of a pay period, within its base period in relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *a* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business described in that paragraph *a*; and

(b) where the particular recognized business is described in paragraph *b* of the definition of “recognized business”,

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *b* of the definition of “recognized business”, and

ii. in any other case, the aggregate of all amounts each of which is

(1) the salary or wages that were paid by the corporation to an employee in the course of carrying on that particular recognized business, in respect of a pay period, within its base period, in relation to the particular recognized business, for which the employee is an eligible employee, or

(2) the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business, in respect of a pay period, within its base period in relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside the Québec area and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *b* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business described in that paragraph *b*;

**“base period”;**

“base period” of a corporation, in relation to a recognized business, means the calendar year preceding the calendar year in which the eligibility period of a corporation in relation to the recognized business begins;

**“eligibility period”;**

“eligibility period” of a corporation, in relation to a recognized business, means, subject to the second paragraph, the three-year period that begins on 1 January of the first calendar year, preceding the calendar year 2004, in respect of which the corporation obtains its qualification certificate in relation to the recognized business;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means

(a) in relation to a corporation that carries on a recognized business described in paragraph *a* of the definition of “recognized business”, the aggregate of all amounts each of which is

i. the salary or wages paid by the corporation to an employee in respect of a pay period, within the year, for which the employee is an eligible employee, in relation to a recognized business of the corporation described in that paragraph *a*, or

ii. the salary or wages of an employee, other than an employee referred to in subparagraph i or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *a* of the definition of “recognized business”; and

(b) in relation to a corporation that carries on a recognized business described in paragraph *b* of the definition of “recognized business”, the aggregate of all amounts each of which is

i. the salary or wages paid by the corporation to an employee in respect of a pay period, within the year, for which the employee is an eligible employee, in relation to a recognized business of the corporation described in that paragraph *b*, or

ii. the salary or wages of an employee, other than an employee referred to in subparagraph i or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in paragraph *b* of the definition of “recognized business”;

**“eligible employee”;**

“eligible employee” of a corporation for a pay period of a calendar year, in relation to a recognized business, means an employee, other than an excluded employee at any time in that period, who, in that period, reports for work at an establishment of the employer situated in an eligible site, if

the recognized business is referred to in paragraph *a* of the definition of “recognized business”, or in the Québec area, if the recognized business is referred to in paragraph *b* of that definition, and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division, in relation to the recognized business;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.62 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.57 or 1029.8.36.72.61.1 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.57 or 1029.8.36.72.61.1 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(b) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.62 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business described in paragraph *a* or *b* of the definition of “recognized business”, for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts

of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(c) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.72.62 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* or *c* of section 1029.8.36.72.59 or 1029.8.36.72.61.3 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2, in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.59 or 1029.8.36.72.61.3 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.59 or 1029.8.36.72.61.3 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or 1029.8.36.72.61.2, in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“eligible site”;**

“eligible site” means

(a) a site situated in the territory of Ville de Laval and determined by the Minister of Finance to be the Cité de la biotechnologie et de la santé humaine du Montréal métropolitain;

(b) a site situated in the territory of Ville de Sherbrooke and determined by the Minister of Finance to be the Zone de développement des biotechnologies de Sherbrooke; or

(c) a site situated in the territory of Ville de Saint-Hyacinthe and determined by the Minister of Finance to be the Cité de la biotechnologie agroalimentaire, vétérinaire et agroenvironnementale de Saint-Hyacinthe;

**“excluded employee”;**

“excluded employee” at a particular time means an employee of a corporation who, at that time, is

(a) a specified shareholder of the corporation or, where the corporation is a cooperative, a specified member of the corporation; or

(b) a specified employee within the meaning of the first paragraph of section 1029.8.36.0.17;

**“qualified corporation”;**

“qualified corporation” for a calendar year means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends;

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192; or

(c) a corporation control of which is acquired at any time in the calendar year or a preceding calendar year, but after 11 June 2003, by a person or group of persons, unless the acquisition of control

i. occurs before 1 July 2004 and Investissement Québec certifies that it results from a transaction that was sufficiently advanced on 11 June 2003 and was binding on the parties on that date,

ii. is by any of the following persons or groups of persons:

(1) in relation to a corporation carrying on at that time a recognized business described in paragraph *a* of the definition of “recognized business”, a person that is a corporation carrying on at that time such a recognized business, a person or group of persons that controls such a corporation, or a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation, or

(2) in relation to a corporation carrying on at that time a recognized business described in paragraph *b* of the definition of “recognized business”, a person that is a corporation carrying on at that time such a recognized business, a person or group of persons that controls such a corporation, or a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation,

iii. derives from the exercise after 11 June 2003 of one or more rights described in paragraph *b* of section 20 that were acquired before 12 June 2003, or

iv. derives from the performance after 11 June 2003 of one or more obligations described in the third paragraph of section 21.3.5 that were contracted before 12 June 2003;

**“Québec area”;**

“Québec area” means the Québec Census Metropolitan Area, as described in the 1996 Census Dictionary published by Statistics Canada;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a business carried on by the corporation in the year and in respect of which a qualification certificate is issued by Investissement Québec for the purposes of this division certifying that

(a) the business is carried on in an eligible site and that its activities consist in manufacturing products, in whole or in part, in the biotechnology sector and, where applicable, commercializing them, or are related to the biotechnology sector, but do not consist in activities, described in paragraph *b*, of another recognized business of the corporation for the year; or

(b) the business is carried on in an establishment of the corporation situated in the Québec area and that its activities consist in manufacturing nutraceuticals or functional foods, in whole or in part, and, where applicable, commercializing them, or are related to the nutraceuticals or functional foods sector, but do not consist in activities, described in paragraph *a*, of another recognized business of the corporation for the year;

**“salary or wages”;**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of products or services arising from the carrying on of a business described in paragraph *a* or *b* of the definition of “recognized business”, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III;

**“specified member”.**

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative.



**Continuation of a business.**

Except where section 1029.8.36.72.64 or 1029.8.36.72.65 applies, where, in a taxation year, a corporation carries on a business in respect of which a qualification certificate has been issued by Investissement Québec, and the business, according to Investissement Québec, is the continuation of a recognized business or part of such a recognized business previously carried on by another corporation, the eligibility period of the corporation, in relation to the recognized business, is deemed, for the purposes of the definition of “eligibility period” in the first paragraph, to have begun on the date on which the eligibility period of the other corporation began, in relation to the recognized business.

**Employee’s work reporting location.**

For the purposes of this division,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible site and at an establishment of the qualified corporation situated outside the site, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the eligible site, or

ii. to report for work only at the establishment situated outside the site if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the site;

(b) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in the Québec area and at an establishment of the qualified corporation situated outside that area, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the Québec area, or

ii. to report for work only at the establishment situated outside that area if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the Québec area;

(c) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(d) where, during a pay period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 393; 2005, c. 23, s. 195; 2006, c. 13, s. 157; 2006, c. 36, s. 165.

**§2. — Credits****Credit relating to a recognized business in respect of biotechnology.**

**1029.8.36.72.57.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation’s eligibility period, in relation to a recognized business described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, hereinafter called the “recognized business in respect of biotechnology”, and that encloses the documents referred to in the second paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is, in relation to a recognized business in respect of biotechnology,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the

corporation to an employee in respect of a pay period, within its base period, in relation to the recognized business, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business in respect of biotechnology and its eligible employees in relation to such a business.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business in respect of biotechnology, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first

paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 312; 2004, c. 21, s. 394; 2005, c. 38, s. 267.

#### Credit relating to a recognized business in respect of biotechnology in the case of associated corporations.

**1029.8.36.72.58.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business described in paragraph *a* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, hereinafter called the "recognized business in respect of biotechnology", and that encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is, in relation to a recognized business in respect of biotechnology,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *a* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, within its base period, in relation to the recognized business, for which the employee is an eligible employee,

ii. the amount by which the aggregate of all amounts each of which is the qualified corporation's eligible amount for the calendar year, in relation to a recognized business in respect of biotechnology, or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly

related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, exceeds the total of

(1) the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business in respect of biotechnology that the qualified corporation carries on in the calendar year, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the qualified corporation’s base period in relation to a recognized business in respect of biotechnology it carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business in respect of biotechnology, and

iii. the amount by which the qualified corporation’s eligible amount for the calendar year, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business in respect of biotechnology that the qualified corporation carries on in the calendar year; and

(*b*) the eligible repayment of assistance of the qualified corporation for the taxation year, to the extent that the amount of that repayment is not included in computing, for the year, an eligible repayment of assistance for the purposes of subparagraph *b* of the first paragraph of section 1029.8.36.72.61.2.

#### Maximum amount.

Where the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in respect of biotechnology in the taxation year in which the calendar year ends, the amount determined under subparagraph *a* of that first paragraph, in respect of the calendar year, shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.59.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing the prescribed information;

(*b*) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business in respect of biotechnology and its eligible employees in relation to such a business; and

(*c*) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.59 filed in prescribed form.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation’s eligibility period ends in relation to a recognized business in respect of biotechnology, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(*b*) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2002, c. 9, s. 98; 2003, c. 9, s. 313; 2004, c. 21, s. 395; 2005, c. 38, s. 268; 2006, c. 36, s. 166.

#### Agreement on attribution.

**1029.8.36.72.59.** The agreement to which the second paragraph of section 1029.8.36.72.58 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, hereinafter called the “recognized business in respect of biotechnology”, and that are associated with each other at the end of that calendar year, hereinafter

called the “group of associated corporations”, attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee of the corporation, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee, in respect of a pay period, within its base period, in relation to a recognized business in respect of biotechnology, for which the employee is an eligible employee of that qualified corporation;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year, in relation to a recognized business in respect of biotechnology, exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of biotechnology, or the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of biotechnology in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in

the first paragraph of section 1029.8.36.72.56, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of biotechnology in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business in respect of biotechnology that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business in respect of biotechnology that is carried on by a qualified corporation that is a member of the group of associated corporations.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 396; 2006, c. 36, s. 167.

**1029.8.36.72.60.** (*Repealed*).

History: 2002, c. 9, s. 98; 2004, c. 21, s. 397.

**Deemed attribution of the credit relating to a recognized business in respect of biotechnology.**

**1029.8.36.72.61.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business described in paragraph *a* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and that are associated with each other at the end of that calendar year, exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under any of paragraphs *a* to *c* of section 1029.8.36.72.59, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.58, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 398.

**Credit relating to a recognized business in respect of nutraceuticals.**

**1029.8.36.72.61.1.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, hereinafter called the "recognized business in respect of nutraceuticals", and that encloses the documents referred to in the second paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is, in relation to a recognized business in respect of nutraceuticals,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, within its base period, in relation to the recognized business, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is the qualified corporation's base amount, in relation to a recognized business in respect of nutraceuticals that the corporation carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year, to the extent that the amount of the repayment is not included in computing an eligible repayment of assistance for the year for the purposes of subparagraph *b* of the first paragraph of section 1029.8.36.72.57.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business in respect of nutraceuticals and its eligible employees in relation to such a business.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business in respect of nutraceuticals, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this section, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2004, c. 21, s. 399; 2005, c. 38, s. 269.

**Credit relating to a recognized business in respect of nutraceuticals in the case of associated corporations.**

**1029.8.36.72.61.2.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, hereinafter called the "recognized business in respect of nutraceuticals", and that encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to

file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

- (a) subject to the second paragraph, the least of
- i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is, in relation to a recognized business in respect of nutraceuticals,
    - (1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and
    - (2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, within its base period, in relation to the recognized business, for which the employee is an eligible employee,
  - ii. the amount by which the aggregate of all amounts each of which is the qualified corporation's eligible amount for the calendar year, in relation to a recognized business in respect of nutraceuticals, or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, exceeds the total of
    - (1) the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business in respect of nutraceuticals that the qualified corporation carries on in the calendar year, and
    - (2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of that calendar year to an employee in respect of a pay period, within the qualified corporation's base period in relation to a recognized business in respect of nutraceuticals it carries on in the calendar year, in which the employee reports for work at an

establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the calendar year under this subparagraph 2 in relation to another recognized business in respect of nutraceuticals, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business in respect of nutraceuticals that the qualified corporation carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year, to the extent that the amount of the repayment is not included in computing an eligible repayment of assistance for the year for the purposes of subparagraph *b* of the first paragraph of section 1029.8.36.72.58.

**Maximum amount.**

Where the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in respect of nutraceuticals in the taxation year in which the calendar year ends, the amount determined under subparagraph *a* of that first paragraph, in respect of the calendar year, shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.61.3.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

- (a) the prescribed form containing the prescribed information;
- (b) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business in respect of nutraceuticals and its eligible employees in relation to such a business; and
- (c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.61.3 filed in prescribed form.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145,

1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business in respect of nutraceuticals, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this section, to have been paid to the Minister on that date, for the purpose of computing that payment.

History: 2004, c. 21, s. 399; 2005, c. 38, s. 270; 2006, c. 36, s. 168.

#### Agreement on attribution.

**1029.8.36.72.61.3.** The agreement to which the second paragraph of section 1029.8.36.72.61.2 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, hereinafter called the "recognized business in respect of nutraceuticals", and that are associated with each other at the end of that calendar year, hereinafter called the "group of associated corporations", attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee of the corporation, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of

the group of associated corporations, in relation to a recognized business in respect of nutraceuticals that the corporation carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee, in respect of a pay period, within its base period, in relation to a recognized business in respect of nutraceuticals, for which the employee is an eligible employee of that qualified corporation;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year, in relation to a recognized business in respect of nutraceuticals, exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business in respect of nutraceuticals that the corporation carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of nutraceuticals, or the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of nutraceuticals in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business in respect of nutraceuticals that the corporation carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in respect of nutraceuticals in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a

recognized business in respect of nutraceuticals that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business in respect of nutraceuticals that is carried on by a qualified corporation that is a member of the group of associated corporations.

History: 2004, c. 21, s. 399; 2006, c. 36, s. 169.

**Deemed attribution of the credit relating to a recognized business in respect of nutraceuticals.**

**1029.8.36.72.61.4.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business described in paragraph *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, and that are associated with each other at the end of that calendar year, exceeds the particular amount that is the least of the amounts determined for that calendar year in respect of those corporations under any of paragraphs *a* to *c* of section 1029.8.36.72.61.3, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.61.2, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2004, c. 21, s. 399.

§3. — *Government assistance, non-government assistance, contract payments and other particulars*

**Reduction of expenditure.**

**1029.8.36.72.62.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under any of sections 1029.8.36.72.57, 1029.8.36.72.58, 1029.8.36.72.61.1 and 1029.8.36.72.61.2, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.56, in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.57, in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.58, in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.1 or in subparagraph *i* of

subparagraph *a* of the first paragraph of section 1029.8.36.72.61.2 and paid by the qualified corporation, and the amount of the salaries or wages referred to in subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.58 or in subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.2 and paid by a corporation associated with the qualified corporation shall be reduced, where applicable,

*i.* by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

*ii.* by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

*iii.* by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph *ii*, paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.59 or 1029.8.36.72.61.3 to one or more of their number, shall be reduced, where applicable,

*i.* by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to



have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

#### Restriction.

The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it in respect of a pay period within the qualified corporation's base period, in relation to a recognized business, shall not exceed, for each of those corporations, the aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, in relation to that recognized business, in respect of a pay period within the calendar year ending in the particular taxation year.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 400; 2006, c. 13, s. 159.

#### Deemed repayment of assistance.

**1029.8.36.72.63.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing any of the following amounts:

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.62, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of any of sections 1029.8.36.72.57, 1029.8.36.72.58, 1029.8.36.72.61.1 and 1029.8.36.72.61.2, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.62, the excess amount referred to in paragraph *a* or *c* of section 1029.8.36.72.59 or 1029.8.36.72.61.3 determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 401.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.64.** Where a corporation, in this section referred to as the "new corporation", resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a "predecessor corporation", carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

#### Consolidation of recognized businesses.

In addition, for the purposes of this division, where the new corporation carries on after the amalgamation a recognized business resulting from the consolidation of recognized businesses carried on by predecessor corporations, immediately before the amalgamation, each recognized business so carried on before the amalgamation is deemed to be a separate recognized business carried on by the new corporation after the amalgamation.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 402.

#### Rules applicable if a subsidiary is wound-up.

**1029.8.36.72.65.** If, after the beginning of the winding-up of a subsidiary, within the meaning of section 556, to which the rules in sections 556 to 564.1 and 565 apply, the parent corporation, within the meaning of section 556, begins to carry on a recognized business the subsidiary was carrying on before the beginning of its winding-up, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which ends the calendar year in which the winding-up began and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

**Consolidation of recognized businesses.**

In addition, for the purposes of this division, if the parent corporation carried on after the beginning of the winding-up a recognized business resulting from the consolidation of a recognized business carried on by the parent corporation immediately before the beginning of the winding-up and a recognized business carried on by the subsidiary immediately before the beginning of the winding-up, each recognized business so carried on before the beginning of the winding-up is deemed to be a separate recognized business carried on by the parent corporation after the beginning of the winding-up.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 402; 2005, c. 23, s. 196.

**Decrease in or cessation of activities.**

**1029.8.36.72.66.** Subject to sections 1029.8.36.72.64 and 1029.8.36.72.65, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business the activities of which are described in paragraph *a* or *b* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.56, diminish or cease and it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, in relation to a particular recognized business, for the taxation year in which the particular calendar year ends and for the taxation year in which a subsequent calendar year ends:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, for which the employee is an eligible employee, is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$A \times D \times E$ , and

ii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which that amount otherwise determined without reference to subparagraph i, exceeds the amount determined by the formula

$B \times D \times E$ ;

(b) if the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year, the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.58, in subparagraph ii of paragraph *c* of section 1029.8.36.72.59, in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.2 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.61.3, as the case may be, determined in respect of the vendor, is deemed to be equal to the amount by which the amount determined without reference to this subparagraph, exceeds the amount determined by the formula

$C \times D \times E$ ;

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid in respect of the purchaser’s base period, in relation to the particular recognized business, to employees referred to in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.57, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.58, in subparagraph ii of paragraph *a* of section 1029.8.36.72.59, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.1, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.61.2 or in subparagraph ii of paragraph *a* of section 1029.8.36.72.61.3, as the case may be, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, in relation to the particular recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid to employees in respect of a pay period, within the particular calendar year, for which the employees are eligible employees, in relation to the particular recognized business, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate determined in relation to the particular recognized business,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount, otherwise determined without reference to subparagraph i, in relation to the particular recognized business, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the "particular aggregate", of all amounts each of which is the salary or wages paid by the purchaser to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the purchaser, paid by the purchaser after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible site or the Québec area, according to whether the particular recognized business is described in paragraph *a* or *b*, respectively, of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in that paragraph *a* or *b*, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and

iv. to have an eligible amount for the particular calendar year, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's eligible amount for the particular calendar year, otherwise determined without reference to subparagraph ii, in relation to the particular recognized business, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business; and

(*d*) if the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year, the purchaser is deemed to have paid

i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee, other than an excluded employee of

the purchaser, paid by the purchaser after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work, in the course of the business, that is directly related to activities of the purchaser that are described in paragraph *a* or *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, according to whether the activities of that particular recognized business are described in that paragraph *a* or *b*, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, and

ii. in respect of the particular calendar year, the amount by which the amount determined in accordance with subparagraph i, in relation to the particular recognized business, exceeds the particular aggregate, in relation to the particular recognized business.

#### **Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(*a*) *A* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, for which the employee is an eligible employee;

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

i. the salary or wages paid by the vendor to an employee in the course of carrying on the particular recognized business, in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, for which the employee is an eligible employee, or

ii. the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in the course of carrying on any business in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site or the Québec area, according to whether the recognized business is described in paragraph *a* or *b*, respectively, of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in that paragraph *a* or *b*;

(c) C is the aggregate of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in paragraph *a* or *b* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.56, according to whether the activities of that particular recognized business are described in that paragraph *a* or *b*, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;

(d) D is the proportion that the number of the vendor's employees referred to in any of subparagraphs *a* to *c*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(e) E is, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, the proportion that the number of days in the particular calendar year following the particular time is of 365, and, in any other case, 1.

**Exception.**

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

**Exception.**

Where a particular corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to part of those activities, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed not to have paid to its employees the portion of the salaries or wages that may reasonably be considered to have been paid to the employees of the

corporation assigned to the part of the activities that the particular corporation ceases to carry on after the subsequent time.

History: 2002, c. 9, s. 98; 2002, c. 40, s. 196 [amended by 2003, c. 9, s. 462]; 2004, c. 21, s. 403; 2005, c. 23, s. 197; 2006, c. 36, s. 170.

**Assistance, benefit or advantage deemed nil.**

**1029.8.36.72.67.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or fiscal period in which the base period of a particular corporation in relation to a recognized business it carries on ends, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.62, the amount of the salaries or wages paid by the particular corporation or a corporation associated with the particular corporation, in respect of the base period, in relation to the recognized business, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 404.

**Corporations deemed to be associated.**

**1029.8.36.72.68.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, associated with each other at the end of the year.

History: 2002, c. 9, s. 98; 2004, c. 21, s. 405.

**1029.8.36.72.69.** *(Repealed).*

History: 2002, c. 9, s. 98; 2005, c. 1, s. 245.

**DIVISION II.6.6.6**  
**CREDIT FOR JOB CREATION IN THE RESOURCE**  
**REGIONS**

§1. — *Definitions and general*

**Definitions:**

**1029.8.36.72.70.** In this division,

**“base amount”;**

“base amount” of a corporation, in relation to a particular recognized business, means

(a) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *h* of the definition of “recognized business”; and

(b) in any other case, the aggregate of all amounts each of which is

i. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on the particular recognized business, in respect of a period within its base period, in relation to the particular recognized business for which the employee was an eligible employee of the corporation or would have been an eligible employee of the corporation if the establishment where the employee so reported had been situated in an eligible region, or

ii. the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec, that were paid by the corporation in the course of carrying on any given business that is not a recognized business, in respect of a period within its base period, in relation to the particular recognized business for which the employee would have been an eligible employee of the corporation if the given business had been a recognized business of the corporation and if, in the event that the establishment of the corporation where the employee so reported for work was not situated in an eligible region, the establishment where the employee so reported had been situated in an eligible region, unless an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business;

**“base period”;**

“base period” of a corporation, in relation to a recognized business, means the calendar year that precedes the calendar year in which the eligibility period of a corporation in relation to the recognized business begins;

**“eligibility period”;**

“eligibility period” of a corporation, in relation to a recognized business, means, subject to the second paragraph, the period that begins on 1 January of the first calendar year in respect of which the corporation obtains its qualification

certificate in relation to the recognized business and that ends on 31 December 2002;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a period within the year for which the employee is an eligible employee, in relation to a recognized business of the corporation; or

(b) the salary or wages of an employee who reports for work at an establishment of the corporation situated in Québec that were paid by the corporation in respect of a period within the year for which the employee would be an eligible employee of the corporation if the establishment where the employee so reported for work had been situated in an eligible region;

**“eligible employee”;**

“eligible employee” of a corporation for a period within a calendar year, in relation to a recognized business of the corporation, means an employee who, during that period, reports for work at an establishment of the corporation situated in an eligible region and who, throughout that period, spends, when at work, at least 75% of the time undertaking, supervising or supporting, in the course of the carrying on by the corporation of the recognized business or another recognized business of the corporation in the year, work that is directly related to activities described in any of paragraphs *a* to *h* of the definition of “recognized business” and in the qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of such a recognized business;

**“eligible region”;**

“eligible region” means

(a) one of the following administrative regions described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1):

i. administrative region 01 Bas-Saint-Laurent,

ii. administrative region 02 Saguenay–Lac-Saint-Jean,

iii. administrative region 04 Mauricie,

iv. administrative region 08 Abitibi-Témiscamingue,

v. administrative region 09 Côte-Nord,

vi. administrative region 10 Nord-du-Québec, or

vii. administrative region 11 Gaspésie–Îles-de-la-Madeleine; or

(b) one of the following regional county municipalities:

i. Municipalité régionale de comté d’Antoine-Labelle,

ii. Municipalité régionale de comté de La Vallée-de-la-Gatineau, or

iii. Municipalité régionale de comté de Pontiac;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the qualified corporation to an employee for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.71 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.71 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(b) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.72 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in an eligible region for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the

qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(c) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* or *c* of section 1029.8.36.72.73 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.73 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.73 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends; or

(b) a corporation that would be exempt from tax under section 985 for the taxation year in which the calendar year ends, but for section 192;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means, subject to the fourth paragraph, a business carried on by the corporation in the year and in respect of which a

qualification certificate is issued by Investissement Québec for the purposes of this division certifying that its activities are

(a) the manufacturing, processing and, as the case may be, the commercialization of any of the following products:

i. finished or semi-finished products using wood, metals, non-metallic minerals, peat, slate, gemstones or semi-precious stones,

ii. paper or paperboard products, and

iii. crate components;

(b) the manufacturing, processing and, as the case may be, the commercialization of food products;

(c) the manufacturing and, as the case may be, the commercialization of specialized equipment for logging operations, wood processing, paper or paperboard manufacturing, mining, metal processing or fresh-water aquaculture;

(d) the production and, as the case may be, the commercialization of ecological non-conventional energy using the biomass or hydrogen;

(e) the manufacturing and, as the case may be, the commercialization of products or specialized equipment for the production or use of energy;

(f) the reclaiming, recycling and, as the case may be, the commercialization of residues and waste from the development or processing of natural resources;

(g) fresh-water aquaculture and, as the case may be, the commercialization of that activity;

(g.1) the bead setting of gemstones or semi-precious stones;

(g.2) jewellery making;

(g.3) printing or publishing, including activities relating to typesetting, printing, collating, folding and bundling;

(g.4) the seasoning of building timber in kilns or timber planing; or

(h) activities related to the activities described in paragraphs *a* to *g.4*;

**“salary or wages”.**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include

(a) for an employee whose activities relate to the commercialization of the activities or products of a business described in any of paragraphs *a* to *h* of the definition of “recognized business”, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; or

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in

addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.

**Continuation of a business.**

Except where section 1029.8.36.72.77 or 1029.8.36.72.78 applies, where, in a taxation year, a corporation carries on a business in respect of which a qualification certificate has been issued by Investissement Québec, and the business, according to Investissement Québec, is the continuation of a recognized business or part of a recognized business previously carried on by another corporation, the eligibility period of the corporation in relation to the recognized business is deemed, for the purposes of the definition of “eligibility period” in the first paragraph, to have begun on the date on which the eligibility period of the other corporation began, in relation to the recognized business.

**Employee’s work reporting location.**

For the purposes of this division,

(a) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible region and at an establishment of the qualified corporation situated outside the eligible region, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the eligible region, or

ii. to report for work only at the establishment situated outside the eligible region if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the eligible region;

(a.1) where, during a period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(b) where, during a period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Activities excluded.**

For the purposes of the definition of “recognized business” in the first paragraph,

(a) the following activities do not constitute activities of a recognized business:

i. activities of any of the businesses described in the definition of “recognized business” in the first paragraph of section 1029.8.36.72.15,

ii. activities of any of the businesses described in paragraphs *a* to *f* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.43,

iii. food manufacturing or processing activities carried on in restaurants, hotels, shopping centres, supermarkets, grocery stores or other similar establishments,

iv. manufacturing or processing activities carried on outside an eligible region,

v. activities relating to pulp, paper or paperboard manufacturing,

vi. activities relating to primary processing of metals, and

vii. activities relating to the sawing of logs and bolts to produce structural timber or similar products; and

(b) the installation by a corporation of a product or specialized equipment referred to in the definition of “recognized business” constitutes an activity of a recognized business, where the product or specialized equipment is the result of the manufacturing activity carried on by the corporation or a corporation with which it is associated.

**Interpretation.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

**Cancellation of certificate.**

Where Investissement Québec cancels, at the request of a corporation, a qualification certificate issued to the corporation, in relation to a recognized business, the certificate so cancelled is not a revoked certificate for the purposes of Part III.10.1.7.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 314; 2004, c. 21, s. 406; 2005, c. 23, s. 198.

**§2. — Credits****Credit.**

**1029.8.36.72.71.** A qualified corporation that is not associated with any other corporation at the end of a calendar

year within the qualified corporation’s eligibility period, in relation to a recognized business, and that encloses the documents referred to in the fourth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *h* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.70, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation’s base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business, and

ii. the amount by which the qualified corporation’s eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business it carries on in the calendar year; and

(b) the qualified corporation’s eligible repayment of assistance for the taxation year.

**Adjustment for the base period.**

Where the first paragraph applies to the taxation year that includes the end of the first calendar year of the eligibility period of a qualified corporation, in relation to a recognized business, or to the taxation year that includes the end of the second calendar year of the eligibility period of the corporation, in relation to the recognized business, and the base period of the corporation, in relation to the recognized business, precedes the calendar year 2002, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph, in respect of the corporation, in relation to



the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to a recognized business.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 315.

#### Credit in the case of associated corporations.

**1029.8.36.72.72.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business, and encloses the documents referred to in the fifth paragraph with the fiscal

return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the calendar year for which the employee is an eligible employee, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *h* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.70, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a period within the qualified corporation's base period, in relation to the recognized business, for which the employee is an eligible employee in relation to that recognized business,

ii. the amount by which the aggregate of all amounts each of which is the qualified corporation's eligible amount for the calendar year or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period, within the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, exceeds the total of

(1) the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business it carries on in the calendar year, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar

year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period, within the qualified corporation's base period in relation to a recognized business it carries on in the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, unless an amount is included, in respect of the employee, in relation to the other corporation, in computing the amount determined for the calendar year under this subparagraph 2 in relation to another recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business it carries on in the calendar year; and

(b) the qualified corporation's eligible repayment of assistance for the taxation year.

#### **Restriction.**

Where the qualified corporation referred to in subparagraph *a* of the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in an eligible region in the taxation year in which the calendar year ends, the amount determined under subparagraph *a* shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.73.

#### **Adjustment for the base period.**

Where the first paragraph applies to the taxation year that includes the end of the first calendar year of the eligibility period of a qualified corporation, in relation to a recognized business, or to the taxation year that includes the end of the second calendar year of the eligibility period of the corporation, in relation to the recognized business, and the base period of the corporation, in relation to the recognized business, precedes the calendar year 2002, the following rules apply:

(a) the amount determined in accordance with subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph or subparagraph 2 of subparagraph ii of that subparagraph *a*, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

#### **Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### **Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of the unrevoked qualification certificate issued to the qualified corporation in relation to a recognized business; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.73 filed in prescribed form.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 316; 2004, c. 21, s. 407.

#### **Agreement on attribution.**

**1029.8.36.72.73.** The agreement to which the second paragraph of section 1029.8.36.72.72 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a

recognized business and that are associated with each other at the end of the calendar year, hereinafter called the “group of associated corporations”, attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a period within the calendar year for which the employee is an eligible employee of the corporation, in relation to a recognized business it carries on in the calendar year, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations in relation to a recognized business it carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *h* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.70, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in a period within the qualified corporation’s base period in relation to a recognized business it carries on in the calendar year, for which the employee is an eligible employee of the corporation in relation to the recognized business;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business it carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the salary or wages paid by another qualified corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid in respect of a period, within the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee

reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business it carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee who reports for work at an establishment of the other corporation situated in Québec, where the salary or wages are paid by the other corporation in respect of a period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business it carries on in the calendar year, for which the employee would have been an eligible employee of the qualified corporation if the employee had been an employee of the qualified corporation, if a business carried on by the other corporation had been a recognized business carried on by the qualified corporation and if, in the event that the establishment of the other corporation where the employee reported for work was not situated in an eligible region, the establishment where the employee reported for work had been situated in an eligible region, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group of associated corporations.

#### **Adjustment for the base period.**

However, for the purposes of the first paragraph, where the calendar year referred to in the first paragraph is the first or second calendar year of the eligibility period of a qualified corporation that is a member of the group of associated corporations, in relation to a recognized business, and its base period, in relation to the recognized business, precedes the calendar year 2002, the following rules apply:

(a) the amount determined in accordance with subparagraph ii of subparagraph *a* or *c* of the first paragraph, in respect of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined; and

(b) the base amount of the corporation, in relation to the recognized business, is deemed to be equal to 90% of that amount otherwise determined.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 317; 2004, c. 21, s. 408.

**Deemed attribution.**

**1029.8.36.72.74.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the lesser of the amounts determined for that calendar year in respect of those corporations under any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.36.72.73, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.72, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 317; 2004, c. 21, s. 409.

§3. — *Government assistance, non-government assistance and other particulars*

**Reduction of expenditure.**

**1029.8.36.72.75.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under section 1029.8.36.72.71 or 1029.8.36.72.72, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definition of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.70, subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.71 or subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.72 and paid by the corporation, and the amount of the salaries or wages referred to in subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.72 and paid by a corporation associated with the corporation shall be reduced, where applicable,

*i.* by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that reduced the amount of the salaries or wages referred to in subparagraph *ii*,

*ii.* by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

*iii.* by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.73 to one or more of their number, shall be reduced, where applicable,

*i.* by the amount of any government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that reduced the amount of salaries or wages referred to in subparagraph *ii*,

*ii.* by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

*iii.* by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation’s filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages paid by the particular qualified corporation.

**Restriction.**

The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a period within the qualified corporation’s base period in relation to a recognized business, shall not exceed, for each of those corporations, the

aggregate of all amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the corporation, in relation to the recognized business, in respect of the calendar year ending in its particular taxation year.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 318.

#### Deemed repayment of assistance.

**1029.8.36.72.76.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.75, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of section 1029.8.36.72.71 or 1029.8.36.72.72, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.75, the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.73 determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 319; 2004, c. 21, s. 410.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.77.** Where a corporation, in this section referred to as the “new corporation”, resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a “predecessor corporation”, carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

#### Consolidation of businesses.

In addition, for the purposes of this division, where the new corporation carries on after the amalgamation a recognized business resulting from the consolidation of recognized businesses carried on by predecessor corporations,

immediately before the amalgamation, each recognized business so carried on before the amalgamation is deemed to be a separate recognized business carried on by the new corporation after the amalgamation.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 320.

#### Rules applicable where a subsidiary is wound-up.

**1029.8.36.72.78.** Where the rules in sections 556 to 564.1 and 565 apply to the winding-up of a subsidiary, within the meaning of section 556, and the parent corporation, within the meaning of section 556, carries on after the winding-up a business carried on before the winding-up by the subsidiary, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which the calendar year in which the winding-up occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

#### Consolidation of businesses.

In addition, for the purposes of this division, where the parent corporation carried on after the winding-up a recognized business resulting from the consolidation of a recognized business carried on by the parent corporation immediately before the winding-up and a recognized business carried on by the subsidiary immediately before the winding-up, each recognized business so carried on before the winding-up is deemed to be a separate recognized business carried on by the parent corporation after the winding-up.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 320.

#### Decrease in or cessation of activities.

**1029.8.36.72.79.** Subject to sections 1029.8.36.72.77 and 1029.8.36.72.78, where, at a particular time in a particular calendar year, the activities carried on by a person or partnership, in this section referred to as the “vendor”, in relation to a recognized business or a business the activities of which are described in any of paragraphs *a* to *h* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.70, diminish or cease and it may reasonably be considered that, as a result, another person or partnership, in this section referred to as the “purchaser”, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the third and fourth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, in relation to a particular recognized business, for the taxation year in which the particular calendar year ends and for the taxation year in which a subsequent calendar year ends:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period in relation to the particular recognized business for which the employee is an eligible employee, is deemed to be equal to the amount by which the amount otherwise determined exceeds the amount determined by the formula

$A \times C \times D$ , and

ii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which the amount otherwise determined, without reference to subparagraph i, exceeds the amount determined by the formula

$B \times C \times D$ ;

(b) if the vendor was not carrying on a recognized business before the particular time and the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year, the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.72 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.73, as the case may be, is deemed to be equal to the amount by which the amount determined, without reference to this subparagraph, exceeds the amount determined by the formula

$B \times C \times D$ ;

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid in respect of the purchaser's base period, in relation to the particular recognized business, to employees referred to in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.71, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.72 or in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.73, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages paid by the purchaser to an employee in respect of a period within the particular calendar year for which the employee is an eligible employee, in relation to the particular recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid to employees in respect of a period within the particular calendar year for which the employees are eligible employees, in relation to the particular recognized business, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate determined in relation to the particular recognized business,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount, otherwise determined, without reference to subparagraph i, in relation to the particular recognized business, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in an eligible region, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and

iv. to have an eligible amount for the particular calendar year, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's eligible amount for the particular calendar year, otherwise determined, without reference to subparagraph ii, in relation to the particular recognized business, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business; and

(d) if the purchaser does not carry on a recognized business after the particular time and the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year, the purchaser is deemed to have paid

i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the

aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the purchaser situated in Québec that the purchaser paid, after the particular time, in respect of a period of the particular calendar year for which the employee would be an eligible employee of the purchaser if the establishment where the employee reported for work had been situated in an eligible region, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

ii. in respect of the particular calendar year, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business.

#### Interpretation.

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) *A* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a period within its base period, in relation to the particular recognized business for which the employee is an eligible employee;

(b) *B* is the aggregate of all amounts each of which is the salary or wages of an employee who reports for work at an establishment of the vendor situated in Québec that the vendor paid in respect of a period, within the base period, in relation to the particular recognized business, for which the employee was an eligible employee of the vendor or would have been an eligible employee of the vendor if the employee’s work had been related to activities of a recognized business of the vendor or if, in the event that the establishment of the vendor where the employee so reported for work was not situated in an eligible region, the establishment where the employee reported had been situated in an eligible region, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;

(c) *C* is the proportion that the number of the vendor’s employees referred to in subparagraph *a* or *b*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor’s employees assigned to those activities immediately before the particular time; and

(d) *D*, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, is the proportion that the number of days in the particular calendar year following the particular time is of 365 and, in any other case, 1.

#### Exception.

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees assigned to the carrying on of the activities that ceased after the subsequent time.

#### Exception.

Where a particular corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to part of those activities, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed not to have paid to its employees the portion of the salaries or wages that may reasonably be considered to have been paid to the employees of the corporation assigned to the part of the activities that the particular corporation ceases to carry on after the subsequent time.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 321; 2004, c. 21, s. 411.

#### Assistance, benefit or advantage deemed nil.

**1029.8.36.72.80.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of a particular corporation in relation to a recognized business it carries on ends, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.75, as the case may be, the amount of the salaries or wages paid by the

particular corporation or a corporation that is associated with the particular corporation, in respect of the base period, in relation to the recognized business, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2002, c. 40, s. 197; 2003, c. 9, s. 322.

#### Corporations deemed associated.

**1029.8.36.72.81.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2002, c. 40, s. 197.

#### **1029.8.36.72.82.** (Repealed).

History: 2002, c. 40, s. 197; 2005, c. 1, s. 245.

#### DIVISION II.6.6.6.1

#### CREDIT FOR JOB CREATION IN THE RESOURCE REGIONS, IN THE ALUMINUM VALLEY AND IN THE GASPÉSIE AND CERTAIN MARITIME REGIONS OF QUÉBEC

##### §1. — *Definitions and general*

##### Definitions:

**1029.8.36.72.82.1.** In this division,

“*base amount*”;

“base amount” of a corporation means

(a) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business; and

(b) in any other case, the aggregate of all amounts each of which is

i. the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, or

ii. the salary or wages of an employee that were paid by the corporation in respect of a pay period, ended in its base

period, in which the employee reports for work at an establishment of the corporation situated in Québec but outside a designated region of the corporation and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;

“*base period*”;

“base period” of a corporation means, subject to the fourth paragraph, the given calendar year preceding the calendar year in which the corporation’s eligibility period begins or the calendar year referred to in either of the following paragraphs if it is subsequent to the given calendar year:

(a) if the corporation has made the election provided for in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.1, for the purpose of determining the amount that it is deemed to have paid to the Minister under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 for the taxation year in which the calendar year 2008 or 2009 ends or for a taxation year in which a calendar year subsequent to 2009 ends if the corporation 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; or

(b) if the corporation has made the election provided for in section 1029.8.36.72.82.3.1.1, for the purpose of determining the amount that it is deemed to have paid to the Minister under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 for a taxation year in which a calendar year that is subsequent to the calendar year 2010 ends, the calendar year 2010;

“*designated region*”;

“designated region” of a corporation means, subject to the seventh paragraph, the Saguenay–Lac-Saint-Jean region, the eligible region or the resource region where it carries on a recognized business;

“*eligibility period*”;

“eligibility period” of a corporation means, subject to the third paragraph, the period that begins on 1 January of the first calendar year referred to in the first unrevoked qualification certificate issued to the corporation or deemed obtained by it, in relation to a recognized business, for the purposes of this division or any of Divisions II.6.6.2, II.6.6.4 and II.6.6.6, and that ends

(a) on 31 December 2020, for the purpose of computing an amount deemed to have been paid to the Minister under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, in respect of an amount referred to in subparagraph ii of subparagraph *b* of the first paragraph of that section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as applicable,



that is in relation to a particular amount of salary or wages in respect of which an amount is deemed to have been paid by the corporation to the Minister under that section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as applicable, for a taxation year in which a calendar year preceding the calendar year 2016 ends, in relation to an activity referred to in the definition of “eligible region”;

(b) on 31 December 2017, for the purpose of computing an amount deemed to have been paid to the Minister under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, in respect of an amount referred to in subparagraph *b* of the first paragraph of that section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as applicable, that is in relation to an amount of salary or wages, other than a particular amount of salary or wages in respect of which an amount is deemed to have been paid by the corporation to the Minister under that section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as applicable, for a taxation year in which a calendar year preceding the calendar year 2016 ends; or

(c) on 31 December 2015, in any other case;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a pay period, ended in the year, for which the employee is an eligible employee; or

(b) the salary or wages of an employee, other than an employee referred to in paragraph a, that were paid by the corporation in respect of a pay period, ended in the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;

**“eligible employee”;**

“eligible employee” of a corporation, for a pay period that ended in a calendar year, means an employee who, in that period, reports for work at an establishment of the employer situated in a designated area and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division;

**“eligible region”;**

“eligible region” means, subject to the seventh paragraph,

(a) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year preceding the calendar year 2010 ends and, if the corporation has made the election provided for in section 1029.8.36.72.82.3.1.1, for its taxation year in which the calendar year 2010 ends, in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the

processing of marine products, or activities related to such processing activities, the Municipalité régionale de comté de La Matanie or one of the administrative regions referred to in subparagraphs ii and iii of paragraph *b* and described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1);

(a.1) (*paragraph repealed*);

(b) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the manufacturing or processing of finished or semi-finished products in the field of marine biotechnology, or activities related to such manufacturing or processing activities, one of the following administrative regions described in the Décret concernant la révision des limites des régions administratives du Québec:

i. administrative region 01 Bas-Saint-Laurent,

ii. administrative region 09 Côte-Nord, or

iii. administrative region 11 Gaspésie-Îles-de-la-Madeleine;

(c) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the manufacturing of wind turbines, the production of wind power or activities related to such manufacturing or production activities, the Municipalité régionale de comté de La Matanie or the administrative region referred to in subparagraph iii of paragraph *b* and described in the Décret concernant la révision des limites des régions administratives du Québec; and

(d) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the mariculture, the manufacturing of specialized equipment for mariculture or activities related to such mariculture activities or such manufacturing of specialized equipment, one of the administrative regions referred to in subparagraphs ii and iii of paragraph *b* and described in the Décret concernant la révision des limites des régions administratives du Québec;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.16 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of

the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.16 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph or subparagraph ii of paragraph *a* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.15, in relation to a repayment of assistance;

(*b*) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.17 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in the Saguenay–Lac-Saint-Jean region for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *b* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.15, in relation to a repayment of assistance;

(*c*) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.21 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of

section 1029.8.36.72.18 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.18 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.18 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.17 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *c* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.15, in relation to a repayment of assistance;

(*d*) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.44 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.44 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph or subparagraph ii of paragraph *a* of the definition of “eligible

repayment of assistance” in the first paragraph of section 1029.8.36.72.43, in relation to a repayment of assistance;

(e) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.45 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in an eligible region for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *b* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.43, in relation to a repayment of assistance;

(f) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.48 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.46 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.46 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of

assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.46 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.45 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *c* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.43, in relation to a repayment of assistance;

(g) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.71 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.71 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph or subparagraph ii of paragraph *a* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.70, in relation to a repayment of assistance;

(h) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.72 that relates to a calendar year preceding the calendar year in relation to the qualified

corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business in a resource region for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *b* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.70, in relation to a repayment of assistance;

(*i*) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.75 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* of section 1029.8.36.72.73 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* of section 1029.8.36.72.73 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.73 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.72 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph or subparagraph ii of paragraph *c* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.70, in relation to a repayment of assistance;

(*j*) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 that relates to a calendar year preceding the calendar year ending in the taxation year, except to the extent that paragraph *j.1* applies to that repayment, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*j.1*) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the particular amount that would have been determined under that subparagraph *a.1* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2 in respect of the qualified corporation in relation to the preceding calendar year, and

- ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;
- (k) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph a of the first paragraph of section 1029.8.36.72.82.3 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, except to the extent that paragraph k.1 applies to that repayment, the amount by which the particular amount that would have been determined under that subparagraph a in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of
- i. the particular amount determined under subparagraph a of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year, and
- ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;
- (k.1) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph a.1 of the first paragraph of section 1029.8.36.72.82.3 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the particular amount that would have been determined under that subparagraph a.1 in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of
- i. the particular amount determined under subparagraph a of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year, and
- ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;
- (l.1) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph a or c of section 1029.8.36.72.82.4.1 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, except to the extent that paragraph l.1 applies to that repayment, the amount by which the particular amount that would have been determined under subparagraph a of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of subparagraph a or c of the first paragraph of section 1029.8.36.72.82.4 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.4 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of
- i. the particular amount determined under subparagraph a of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year, and
- ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;
- (l.1) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph a or c of section 1029.8.36.72.82.4.1 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the

qualified corporation was associated at that time, the amount by which the particular amount that would have been determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.82.4.1 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.4.1 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

(*m*) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 that relates to a calendar year preceding the calendar year ending in the taxation year, except to the extent that paragraph *m.1* applies to the repayment, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*m.1*) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified

corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2 that relates to a calendar year preceding the particular calendar year ending in the taxation year, the amount by which the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount that would have been determined under that subparagraph *a.1* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*n*) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, except to the extent that paragraph *n.1* applies to the repayment, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the

calendar year or a preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

(*n.1*) where a corporation pays in a particular calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 that relates to a calendar year preceding the particular calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount that would have been determined under that subparagraph *a.1* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, exceeds the aggregate of

i. the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

(*o*) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.82.4 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, except to the extent that paragraph *o.1* applies to the repayment, the amount by which the particular amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.82.4 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.4 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(*o.1*) where a qualified corporation pays in a particular calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.6 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph *a* or *c* of section 1029.8.36.72.82.4.2 determined, in respect of a calendar year preceding the particular calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is

the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount that would have been determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.82.4.2 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the particular calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.82.4.2 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the lesser of the balance of the corporation's tax assistance limit for the taxation year, within the meaning of section 1029.8.36.72.82.3.4, multiplied by 100/20 if the particular calendar year is the calendar year 2010, by 100/10 if the particular calendar year is any of the calendar years 2011 to 2013, by 100/9 if the particular calendar year is the calendar year 2014, or by 100/8 if the particular calendar year is subsequent to the calendar year 2014, and the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends; or

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192;

**“recognized business”;**

“recognized business” of a corporation means a business carried on in a calendar year by the corporation in a designated region and in respect of which a qualification certificate is issued for the year by Investissement Québec for the purposes of this division;

**“resource region”;**

“resource region” means, subject to the seventh paragraph,

(a) one of the following administrative regions described in the Décret concernant la révision des limites des régions administratives du Québec:

- i. administrative region 01 Bas-Saint-Laurent,
- ii. administrative region 02 Saguenay–Lac-Saint-Jean,
- iii. administrative region 04 Mauricie,
- iv. administrative region 08 Abitibi-Témiscamingue,
- v. administrative region 09 Côte-Nord,
- vi. administrative region 10 Nord-du-Québec, or
- vii. for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year preceding the year 2010 ends, administrative region 11 Gaspésie–Îles-de-la-Madeleine; or

(b) one of the following regional county municipalities:

- i. Municipalité régionale de comté d'Antoine-Labelle,
- ii. Municipalité régionale de comté de La Vallée-de-la-Gatineau, or
- iii. Municipalité régionale de comté de Pontiac;

**“Saguenay–Lac-Saint-Jean region”;**

“Saguenay–Lac-Saint-Jean region” means, in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the manufacturing or processing of finished or semi-finished products made from aluminum having already undergone primary processing, the reclamation and recycling of waste and residues from the processing of aluminum, or activities related to such activities, the administrative region 02 Saguenay–Lac-Saint-Jean described in the Décret concernant la révision des limites des régions administratives du Québec;

**“salary or wages”.**

“salary or wages” means the income computed under Chapters I and II of Title II of Book III, but does not include,

(a) for an employee whose activities relate to the commercialization of the activities or products of a recognized business, directors' fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III; and

(b) for all other employees, directors' fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III.

**Employee's work reporting location.**

For the purposes of this division,

(a) where, during a pay period that ended in a calendar year, an employee reports for work at an establishment of a



qualified corporation situated in a designated region of the corporation and at an establishment of the qualified corporation situated outside the designated region, the employee is, for that period, deemed,

i. except if subparagraph ii applies, to report for work only at the establishment situated in the designated region, or

ii. to report for work only at the establishment situated outside the designated region if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the designated region;

(b) where, during a pay period that ended in a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed,

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(c) where, during a pay period that ended in a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee's salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Qualification certificate cancelled because of a major unforeseen event.**

If Investissement Québec cancels a qualification certificate issued, for the purposes of this division or of any of Divisions II.6.6.2, II.6.6.4 and II.6.6.6, to a corporation in relation to a recognized business it is carrying on in a designated region, because of a major unforeseen event affecting the recognized business, the qualification certificate is deemed not to have been so cancelled, for the purpose of determining the corporation's eligibility period, if the corporation has resumed carrying on the recognized business in a municipality more than 40 kilometres away from the municipality in which the recognized business was carried on before the major unforeseen event occurred.

**Base period.**

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 any of Divisions II.6.6.2, II.6.6.4 and II.6.6.6, 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.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

**Manufacturing business carried on in the Gaspésie region.**

For the purposes of this division and in determining the amount that a qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3, the salary or wages paid to an employee in respect of a pay period, for which the employee is an eligible employee, that may reasonably be attributed to activities of a business that are described in paragraph *a.1* of the definition of "eligible region" in the first paragraph, enacted by subparagraph *i* of subparagraph *b.1* of the seventh paragraph, and that are carried on in the region to which that paragraph *a.1* refers, is deemed not to have been so paid to the eligible employee if, in the opinion of Investissement Québec, the activities are not recognized activities in respect of a resource region.

**Rules applicable.**

For the purposes of this division and for the purpose of determining the amount that a qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, the following rules apply:

(a) *(subparagraph repealed)*;

(b) *(subparagraph repealed)*;

(b.1) the definition of "eligible region" in the first paragraph is to be read,

i. if the taxation year is subsequent to the taxation year in which the calendar year 2007 ends, as if the following paragraph was inserted after paragraph *a*:

"(a.1) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are manufacturing or processing activities, other than those referred to in any of paragraphs *a*, *b*, *c* and *d*, included in the group described under code 31, 32 or 33 of the North American Industry Classification System (NAICS) Canada, as amended from time to time and published by Statistics Canada, or activities related to such manufacturing

or processing activities, the administrative region referred to in subparagraph iii of paragraph *b* and described in the Décret concernant la révision des limites des régions administratives du Québec;”, and

ii. if the taxation year is subsequent to the taxation year in which the calendar year 2009 ends, as if the following paragraph was added after paragraph *d*, unless the corporation has made the election provided for in section 1029.8.36.72.82.3.1.1 for a preceding taxation year:

“(e) in respect of a recognized business whose activities described in a qualification certificate issued for the purposes of this division are the manufacturing or processing of finished or semi-finished products made from peat or slate, or activities related to such manufacturing or processing activities, one of the administrative regions referred to in subparagraphs i and ii of paragraph *b* and described in the Décret concernant la révision des limites des régions administratives du Québec;”;

(c) the definition of “designated region” in the first paragraph is to be read as follows:

““designated region” of a corporation means the Saguenay–Lac-Saint-Jean region or the eligible region where it carries on a recognized business in a particular taxation year, if

(a) the particular taxation year precedes the taxation year in which the calendar year 2010 ends; or

(b) the corporation has made the election provided for in section 1029.8.36.72.82.3.1.1;” and

(d) if the taxation year is subsequent to the taxation year in which the calendar year 2012 ends, the definition of “resource region” in the first paragraph is to be read as if subparagraphs i to iii of paragraph *a* were replaced by the following subparagraphs:

“i. the eastern part of the administrative region 01 Bas-Saint-Laurent, included in the territory of the Municipalité régionale de comté de La Matapédia, the Municipalité régionale de comté de La Matanie and the Municipalité régionale de comté de La Mitis,

“ii. the part of the administrative region 02 Saguenay–Lac-Saint-Jean, included in the territory of the Municipalité régionale de comté de Maria-Chapdelaine, the Municipalité régionale de comté Le Fjord-du-Saguenay and the Municipalité régionale de comté Le Domaine-du-Roy,

“iii. the part of the administrative region 04 Mauricie, included in the territory of the urban agglomeration of La

Tuque, the Municipalité régionale de comté de Mékinac and the city of Shawinigan,”.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 199 [amended by 2006, c. 36, s. 301]; 2006, c. 13, s. 160; 2006, c. 36, s. 171; 2009, c. 15, s. 286; 2010, c. 25, s. 140; 2011, c. 6, s. 187; 2017, c. 1, s. 282; 2019, c. 14, s. 357.

#### Tax assistance limit.

**1029.8.36.72.82.1.1.** A corporation’s tax assistance limit for a taxation year is the aggregate of

(a) the corporation’s base amount for the year; and

(b) the amount determined by the formula

$$5\% \times A \times B/C.$$

#### Interpretation.

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

(a) A is the corporation’s gross revenue for the year;

(b) B is the aggregate of all amounts each of which is a salary or wages paid by the corporation in the taxation year to an employee who reports for work, in the year, at an establishment of the corporation situated in a resource region or in the administrative region 11 Gaspésie—Îles-de-la-Madeleine described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1); and

(c) C is the aggregate of all amounts each of which is a salary or wages paid to an employee by the corporation in the taxation year.

#### Interpretation.

For the purposes of the second paragraph, if the amount represented by B, otherwise determined in respect of a corporation for a taxation year, is equal to or greater than 90% of the amount represented by C, determined in respect of the corporation for the year, the corporation is deemed to have paid salaries or wages in the year only to employees who reported for work, in the year, at an establishment of the corporation situated in a region referred to in subparagraph *b* of the second paragraph.

History: 2010, c. 25, s. 141.

#### Base amount.

**1029.8.36.72.82.1.2.** For the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.1.1 and subject to sections 1029.8.36.72.82.1.3 and 1029.8.36.72.82.1.4, a corporation’s base amount for a taxation year is equal to

(a) if the corporation is not a member of an associated group in the year, \$50,000; and

(b) if the corporation is a member of an associated group in the year, an amount attributed for the year to the corporation pursuant to the agreement described in the second paragraph and filed with the Minister in the prescribed form or, if no amount is attributed to the corporation under the agreement or in the absence of such an agreement, zero.

#### Agreement.

The agreement to which subparagraph *b* of the first paragraph refers is the agreement under which all the corporations that are members of the associated group in the year attribute for the year to one or more of their number, for the purposes of this section, one or more amounts the total of which does not exceed \$50,000.

#### Deemed attribution.

If the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the second paragraph and entered into with the corporations that are members of an associated group in the year exceeds \$50,000, the amount determined under subparagraph *b* of the first paragraph in respect of each of those corporations for the taxation year is deemed, for the purposes of this section, to be equal to the proportion of \$50,000 that that amount is of the aggregate of the amounts attributed for the year under the agreement.

#### Associated group.

For the purposes of this section and sections 1029.8.36.72.82.1.3 and 1029.8.36.72.82.1.4, an associated group in a taxation year means all the corporations that, in the year, are associated with each other and are qualified corporations for the purposes of Title VII.2.4 of Book IV or corporations that carry on a recognized business.

History: 2010, c. 25, s. 141.

#### Attribution of base amount by the Minister.

**1029.8.36.72.82.1.3.** If a corporation that is a member of an associated group referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.82.1.2 fails to file with the Minister an agreement referred to in that subparagraph within 30 days after notice in writing by the Minister has been sent to any of the corporations that are members of that group that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister shall, for the purposes of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.1.1, attribute an amount to one or more of those corporations for the taxation year, which amount or the aggregate of which amounts must be equal to \$50,000, and in such a case, despite that subparagraph *b*, the

base amount for the year of each of the corporations is equal to the amount so attributed to it.

History: 2010, c. 25, s. 141.

#### Determination of base amount in certain cases.

**1029.8.36.72.82.1.4.** Despite sections 1029.8.36.72.82.1.2 and 1029.8.36.72.82.1.3, the following rules apply:

(a) if a corporation that is a member of an associated group (in this paragraph referred to as the “first corporation”) has more than one taxation year ending in the same calendar year and is associated in two or more of those taxation years with another corporation that is a member of the group that has a taxation year ending in that calendar year, the base amount of the first corporation for each particular taxation year that ends in the calendar year in which it is associated with the other corporation and that ends after the first taxation year ending in that calendar year is, subject to paragraph *b*, an amount equal to the lesser of

i. its base amount for the first taxation year ending in the calendar year, determined in accordance with subparagraph *b* of the first paragraph of section 1029.8.36.72.82.1.2 or section 1029.8.36.72.82.1.3, and

ii. its base amount for the particular taxation year ending in the calendar year, determined in accordance with subparagraph *b* of the first paragraph of section 1029.8.36.72.82.1.2 or section 1029.8.36.72.82.1.3; and

(b) if a corporation has a taxation year of fewer than 51 weeks, its base amount for the year is that proportion of its base amount for the year, determined without reference to this paragraph, that the number of days in the year is of 365.

History: 2010, c. 25, s. 141.

#### §2. — Credits

##### Credit.

**1029.8.36.72.82.2.** A qualified corporation that is carrying on a recognized business at least since 31 March 2008, that is not associated with any other corporation at the end of a calendar year within the qualified corporation’s eligibility period and that encloses the documents referred to in the third paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is subsequent to the year 2003 and precedes the year 2011, to the aggregate of

(a) 30% of the particular amount that is the amount by which the lesser of the following amounts exceeds the particular amount determined for the calendar year in accordance with subparagraph *a.1*:

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount; and

(a.1) 40% of the particular amount that is the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1,

ii. the amount by which the amount that would be the qualified corporation's eligible amount for the calendar year exceeds the amount that would be the qualified corporation's base amount if, for the purposes of the definitions of "base amount" and "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1 were considered, and

iii. the lesser of the amount determined for the calendar year in accordance with subparagraph *i* of subparagraph *a* and the amount determined for that year in accordance with subparagraph *ii* of that subparagraph *a*; and

(b) the aggregate of

i. 40% of the portion of the eligible repayment of assistance of the corporation for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount referred to in any of paragraphs *d*, *e*, *f*, *j.1*, *k.1* and *l.1* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.1, or referred to in any of paragraphs *j*, *k* and *l* of that definition, if the preceding calendar year and the assistance to which that paragraph refers are the calendar year 2003 and assistance that may reasonably be attributed to a business whose activities are described in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, respectively, and

ii. 30% of the amount by which the eligible repayment of assistance of the corporation for the taxation year exceeds the portion of the eligible repayment of assistance of the corporation for the taxation year determined in accordance with subparagraph *i*.

#### **Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts

each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(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.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 200; 2005, c. 38, s. 271; 2010, c. 25, s. 142; 2012, c. 8, s. 221.

#### Credit in the case of associated corporations.

**1029.8.36.72.82.3.** A qualified corporation that is carrying on a recognized business at least since 31 March 2008, that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period and that encloses the documents referred to in the fourth paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is subsequent to the year 2003 and precedes the year 2011, to the aggregate of

(a) subject to the second paragraph, 30% of the particular amount that is the amount by which the least of the following amounts exceeds the particular amount determined for the calendar year in accordance with subparagraph *a.1*:

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification

certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee,

ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

(1) the qualified corporation's base amount, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the qualified corporation's base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount;

(a.1) subject to the second paragraph, 40% of the particular amount that is the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in

its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1,

ii. the amount by which the aggregate of the amount that would be the qualified corporation’s eligible amount for the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, exceeds the total of

(1) the amount that would be the qualified corporation’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the qualified corporation’s base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the

year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1,

iii. the amount by which the amount that would be the qualified corporation’s eligible amount for the calendar year exceeds the amount that would be the qualified corporation’s base amount if, for the purposes of the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and

iv. the lesser of the amounts determined for the calendar year in accordance with subparagraphs i to iii of subparagraph *a*; and

(b) the aggregate of

i. 40% of the portion of the eligible repayment of assistance of the corporation for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount referred to in any of paragraphs *d*, *e*, *f*, *j.1*, *k.1* and *l.1* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.82.1, or referred to in any of paragraphs *j*, *k* and *l* of that definition, if the preceding calendar year and the assistance to which that paragraph refers are the calendar year 2003 and assistance that may reasonably be attributed to a business whose activities are described in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, respectively, and

ii. 30% of the amount by which the eligible repayment of assistance of the corporation for the taxation year exceeds the portion of the eligible repayment of assistance of the corporation for the taxation year determined in accordance with subparagraph i.

#### **Restriction.**

Where the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the taxation year in which the calendar year ends, the following rules apply:

(a) the least of the excess amounts determined under any of subparagraphs i to iii of subparagraph *a* of that first paragraph, in respect of the calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.4; and

(b) the particular amount determined, where applicable, under subparagraph *a.1* of that first paragraph, in respect of the calendar year, may not exceed the amount that is

attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.4.1.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(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

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.82.4 and, where applicable, the agreement referred to in section 1029.8.36.72.82.4.1, filed in prescribed form.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 201; 2005, c. 38, s. 272; 2006, c. 36, s. 172; 2010, c. 25, s. 143; 2012, c. 8, s. 222.

#### Election by corporation.

**1029.8.36.72.82.3.1.** No corporation may be deemed to have paid an amount to the Minister in accordance with

section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 for a taxation year in which any of the calendar years 2007 to 2009 ends if the corporation has elected irrevocably to avail itself, for the year or a preceding taxation year,

(a) of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3; or

(b) of Division II.6.14.2.

#### Prescribed form.

A corporation that has not already made the election described in the first paragraph and that is not required to make that election for a taxation year in the manner described in the third paragraph shall make the election for the year by filing with the Minister the prescribed form containing prescribed information on or before the corporation's filing-due date for the year.

#### Joint election by group of associated corporations.

A particular corporation that is associated, in a taxation year, with one or more other corporations (in this paragraph together referred to as the "group of associated corporations") for the year, at least one of which, other than the particular corporation, has not made an election under the second paragraph or this paragraph for a preceding taxation year and at least one of which, other than the particular corporation, is described in the fourth paragraph for the year, shall make the election described in the first paragraph for the year by filing with the Minister, jointly with the other corporations that are members of the group of associated corporations, the prescribed form containing prescribed information on or before the earliest of the filing-due dates of the corporations that are members of the group for the year.

#### Corporation referred to.

A corporation to which the third paragraph refers for a taxation year is

(a) a corporation that carried on a recognized business before 1 April 2008; or

(b) a corporation that, for the purposes of Division II.6.14.2, is a qualified corporation for the year that has acquired qualified property or that is a member of a qualified partnership that has acquired such property.

History: 2009, c. 15, s. 287; 2010, c. 25, s. 144.

#### Election by corporation.

**1029.8.36.72.82.3.1.1.** A corporation may be deemed to have paid an amount to the Minister in accordance with section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 for the taxation year in which the calendar year 2010 ends only if the corporation so elects irrevocably in the manner described in the third or fourth paragraph, as the case may be, and if the corporation did not make the election provided for in section 1029.8.36.72.82.3.1 for a preceding taxation year.

**Election by corporation.**

A corporation that makes the election provided for in the first paragraph for the taxation year in which the calendar year 2010 ends may not be deemed to have paid an amount to the Minister in accordance with section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 for the year.

**Filing of election.**

A corporation to which the fourth paragraph does not apply shall make the election provided for in the first paragraph for the taxation year in which the calendar year 2010 ends by filing with the Minister the prescribed form containing prescribed information on or before the corporation's filing-due date for the taxation year.

**Filing of election.**

A particular corporation that is associated, in a taxation year in which the calendar year 2010 ends, with one or more other corporations that carry on a recognized business shall make the election provided for in the first paragraph for the taxation year by filing with the Minister, jointly with the other corporations that are members of the group of associated corporations, the prescribed form containing prescribed information on or before the earliest of the filing-due dates of the corporations that are members of the group, for the taxation year.

History: 2010, c. 25, s. 145.

**Tax credit rate reduced.**

**1029.8.36.72.82.3.2.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation's eligibility period and that encloses the documents described in the fifth paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is the year 2010 or a subsequent year, to the aggregate of

(a) the result obtained by multiplying the percentage specified in subparagraph *a* of the second paragraph by the particular amount that is the amount by which the lesser of the following amounts exceeds the particular amount that would be determined for the calendar year in accordance with subparagraph *a.1* if that subparagraph were read without reference to the balance of the qualified corporation's tax assistance limit for the year, within the meaning of section 1029.8.36.72.82.3.4:

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the

calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount;

(a.1) the lesser of the balance of the qualified corporation's tax assistance limit for the year, within the meaning of section 1029.8.36.72.82.3.4, and the result obtained by multiplying the percentage specified in subparagraph *b* of the second paragraph by the particular amount that is the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to a given activity (in this section referred to as the "recognized activity in respect of a resource region") that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of "Saguenay–Lac-Saint-Jean region" in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible



employee, to the extent that the salary or wages may reasonably be attributed to a recognized activity in respect of a resource region,

ii. the amount by which the amount that would be the qualified corporation's eligible amount for the calendar year exceeds the amount that would be the qualified corporation's base amount if, for the purposes of the definitions of "base amount" and "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and

iii. the lesser of the amount determined for the calendar year in accordance with subparagraph i of subparagraph *a* and the amount determined for that year in accordance with subparagraph ii of that subparagraph *a*; and

(*b*) the aggregate of

i. the result obtained by multiplying the percentage specified in subparagraph *b* of the second paragraph by the portion of the qualified corporation's eligible repayment of assistance for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount, other than an amount described in the third paragraph, that is referred to in any of paragraphs *g* to *i*, *m.1*, *n.1* and *o.1* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.1, or in any of paragraphs *j*, *k* and *l* of that definition, to the extent that the assistance related to the carrying on of a recognized business in a resource region, and

ii. the result obtained by multiplying the percentage specified in subparagraph *a* of the second paragraph by the amount by which the portion of the qualified corporation's eligible repayment of assistance for the taxation year that concerns assistance that may reasonably be considered to relate to a business carried on in a designated region exceeds the portion of the qualified corporation's eligible repayment of assistance for the taxation year determined in accordance with subparagraph *i*.

**Percentages applicable.**

The percentages to which the following provisions of the first paragraph refer are the following, as applicable:

(*a*) for the portion of subparagraph *a* before subparagraph *i* and for subparagraph *ii* of subparagraph *b*:

i. 18% for the taxation year in which the calendar year 2014 ends,

ii. 16% for the taxation year in which a calendar year subsequent to the calendar year 2014 ends, and

iii. 20% for any other taxation year; and

(*b*) for the portion of subparagraph *a.1* before subparagraph *i* and for subparagraph *i* of subparagraph *b*:

i. 20% for the taxation year in which the calendar year 2010 ends,

ii. 9% for the taxation year in which the calendar year 2014 ends,

iii. 8% for the taxation year in which a calendar year subsequent to the calendar year 2014 ends, and

iv. 10% for any other taxation year.

**Eligible repayment of assistance.**

An amount to which subparagraph *i* of subparagraph *b* of the first paragraph refers is

(*a*) if the calendar year that ends in the taxation year referred to in that subparagraph *i* is subsequent to 2012, an amount relating to assistance that may reasonably be considered to relate to a business that is carried on elsewhere than in a resource region; or

(*b*) an amount referred to in any of paragraphs *g* to *i*, *j*, *k* and *l* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.1 and that concerns assistance that may reasonably be attributed to a business carried on in a region described in paragraph *a.1* or *e* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, enacted by subparagraph *b.1* of the seventh paragraph of that section, and whose activities are described in that paragraph *a.1* or *e*, as the case may be.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the taxation year in which the first calendar year within the qualified corporation's eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(*a*) the amount by which the particular amount that is the lesser of the amount determined under 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

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information; and

(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.

History: 2009, c. 15, s. 287; 2010, c. 25, s. 146; 2011, c. 6, s. 188; 2012, c. 8, s. 223; 2015, c. 21, s. 455; 2019, c. 14, s. 358.

**Tax credit rate reduced.**

**1029.8.36.72.82.3.3.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period and that encloses the documents described in the sixth paragraph with the fiscal return it is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the fifth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal, if the calendar year is the year 2010 or a subsequent year, to the aggregate of

(a) subject to the second paragraph, the result obtained by multiplying the percentage specified in subparagraph *a* of the third paragraph by the particular amount that is the amount by which the lesser of the following amounts exceeds the particular amount that would be determined for the calendar year in accordance with subparagraph *a.1* if that subparagraph were read without reference to the balance of the qualified corporation's tax assistance limit for the year, within the meaning of section 1029.8.36.72.82.3.4:

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee exceeds the aggregate of all amounts each of which is,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec

in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee,

ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

(1) the qualified corporation's base amount, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the qualified corporation's base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount;

(a.1) subject to the second paragraph, the lesser of the balance of the qualified corporation's tax assistance limit for the year, within the meaning of section 1029.8.36.72.82.3.4, and the result obtained by multiplying the percentage specified in subparagraph *b* of the third paragraph by the particular amount that is the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to a given activity (in this section referred to as the "recognized activity in respect of a resource

region”) that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of “Saguenay–Lac-Saint-Jean region” in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages that were paid by the corporation to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to a recognized activity in respect of a resource region,

ii. the amount by which the aggregate of the amount that would be the qualified corporation’s eligible amount for the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are recognized activities in respect of a resource region that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

(1) the amount that would be the qualified corporation’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar

year to an employee in respect of a pay period, ended in the qualified corporation’s base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are recognized activities in respect of a resource region that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business,

iii. the amount by which the amount that would be the qualified corporation’s eligible amount for the calendar year exceeds the amount that would be the qualified corporation’s base amount if, for the purposes of the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and

iv. the least of the amounts determined for the calendar year in accordance with subparagraphs *i* to *iii* of subparagraph *a*; and

(*b*) the aggregate of

i. the result obtained by multiplying the percentage specified in subparagraph *b* of the third paragraph by the portion of the qualified corporation’s eligible repayment of assistance for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount, other than an amount described in the fourth paragraph, that is referred to in any of paragraphs *g* to *i*, *m.1*, *n.1* and *o.1* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.82.1, or in any of paragraphs *j*, *k* and *l* of that definition, to the extent that the assistance related to the carrying on of a recognized business in a resource region, and

ii. the result obtained by multiplying the percentage specified in subparagraph *a* of the third paragraph by the amount by which the portion of the qualified corporation’s eligible repayment of assistance for the taxation year that concerns assistance that may reasonably be considered to relate to a business carried on in a designated region exceeds the portion of the qualified corporation’s eligible repayment of assistance for the taxation year determined in accordance with subparagraph *i*.

#### **Restriction.**

If the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the taxation year in which the calendar year ends, the following rules apply:

(a) the least of the excess amounts determined under any of subparagraphs i to iii of subparagraph *a* of the first paragraph, in respect of the calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.4; and

(b) the least of the excess amounts determined, if applicable, under any of subparagraphs i to iv of subparagraph *a.1* of the first paragraph, in respect of the calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.4.2.

#### Percentages applicable.

The percentages to which the following provisions of the first paragraph refer are the following, as applicable:

(a) for the portion of subparagraph *a* before subparagraph i and for subparagraph ii of subparagraph *b*:

i. 18% for the taxation year in which the calendar year 2014 ends,

ii. 16% for the taxation year in which a calendar year subsequent to the calendar year 2014 ends, and

iii. 20% for any other taxation year; and

(b) for the portion of subparagraph *a.1* before subparagraph i and for subparagraph i of subparagraph *b*:

i. 20% for the taxation year in which the calendar year 2010 ends,

ii. 9% for the taxation year in which the calendar year 2014 ends,

iii. 8% for the taxation year in which a calendar year subsequent to the calendar year 2014 ends, and

iv. 10% for any other taxation year.

#### Eligible repayment of assistance.

An amount to which subparagraph i of subparagraph *b* of the first paragraph refers means

(a) if the calendar year that ends in the taxation year referred to in that subparagraph i is subsequent to 2012, an amount relating to assistance that may reasonably be considered to relate to a business that is carried on elsewhere than in a resource region; or

(b) an amount referred to in any of paragraphs *g* to *i*, *j*, *k* and *l* of the definition of “eligible repayment of assistance” in the first paragraph of section 1029.8.36.72.82.1 and that concerns assistance that may reasonably be attributed to a business carried on in a region described in paragraph *a.1*

or *e* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, enacted by subparagraph *b.1* of the seventh paragraph of that section, and whose activities are described in that paragraph *a.1* or *e*, as the case may be.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 if they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the taxation year in which the first calendar year within the qualified corporation’s eligibility period ends, and of its tax payable for the particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under 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

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing prescribed information;

(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

(c) if the second paragraph applies, the agreement referred to in section 1029.8.36.72.82.4 and, if applicable, the agreement referred to in section 1029.8.36.72.82.4.2, filed in prescribed form.

History: 2009, c. 15, s. 287; 2010, c. 25, s. 147; 2011, c. 6, s. 189; 2012, c. 8, s. 224; 2015, c. 21, s. 456; 2019, c. 14, s. 359.

**Balance of a corporation's tax assistance limit.**

**1029.8.36.72.82.3.4.** The balance of a corporation's tax assistance limit for a taxation year is equal to the amount by which its tax assistance limit for the year, determined under section 1029.8.36.72.82.1.1, exceeds the aggregate of

(a) the aggregate of the following amounts that is multiplied, if the corporation has an establishment situated outside Québec, by the proportion that its business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771:

i. 8% of the lesser of the amount the corporation deducts in computing its taxable income for the year under section 737.18.26 and the amount by which the amount that would be determined in its respect for the year under section 771.2.1.2 if no reference were made to section 771.2.6 and if, for the purposes of paragraph *b* of section 771.2.1.2, its taxable income for the year were computed without reference to section 737.18.26, exceeds the amount that would be determined in its respect for the year under section 771.2.1.2 if the corporation were to deduct, in computing its taxable income, all of the amount that, but for section 737.18.26.1, would be determined under section 737.18.26, and

ii. 11.9% of the amount by which the amount that the corporation deducts in computing its taxable income for the year under section 737.18.26 exceeds the excess amount determined in subparagraph *i*;

(b) the amount of tax that would be payable by the corporation under Part IV for the year if its paid-up capital for the purposes of that Part were equal to the amount it deducted for the year under section 1138.2.3, that is multiplied, if the corporation has an establishment situated outside Québec, by the proportion that its business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771; and

(c) the amount that would be payable by the corporation as the contribution provided for in section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) in respect of the aggregate of all amounts each of which is an amount, representing a proportion of wages paid or deemed to be paid in the year, for which no contribution is payable under the sixth paragraph of section 34 of that Act.

History: 2010, c. 25, s. 148.

**Agreement on attribution.**

**1029.8.36.72.82.4.** The agreement to which subparagraph *a* of the second paragraph of sections 1029.8.36.72.82.3 and 1029.8.36.72.82.3.3 refers in respect of a calendar year means an agreement under which

all of the qualified corporations that are carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year (in this section called the "group of associated corporations"), attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, must not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation, exceeds the aggregate of all amounts each of which is,

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations, the corporation carried on a business in Québec the activities of which were described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee of the qualified corporation;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the

group of associated corporations at the end of the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a pay period that ended in a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.

#### Adjustment for the base period.

However, for the purposes of the first paragraph, where the calendar year referred to in the first paragraph is the calendar year 2003 and the base period of a qualified corporation that is a member of the group of associated corporations is the calendar year 2001, the following rules apply:

(a) the amount determined in accordance with subparagraph ii of subparagraph *a* or *c* of the first paragraph, in respect of the corporation, is deemed to be equal to 90% of the salary or wages otherwise determined; and

(b) the corporation's base amount is deemed to be equal to 90% of that amount otherwise determined.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 202; 2006, c. 36, s. 173; 2009, c. 15, s. 288; 2010, c. 25, s. 149.

#### Maximum amount.

**1029.8.36.72.82.4.1.** The agreement to which subparagraph *b* of the second paragraph of section 1029.8.36.72.82.3 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year, hereinafter called the “group of associated corporations”, attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified

corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation, to the extent that the salary or wages may reasonably be attributed to activities that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is,

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations, the corporation carried on a business in Québec the activities of which were described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee of the qualified corporation, to the extent that the salary or wages may reasonably be attributed to activities that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1;

(b) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the amount that would be the base amount of such a corporation if, for the purposes of the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section were considered; and

(c) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section were considered, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in

Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section, exceeds the total of

i. the aggregate of all amounts each of which would be the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of that section were considered, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group and that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a pay period that ended in a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.

History: 2005, c. 23, s. 203; 2006, c. 36, s. 174; 2010, c. 25, s. 150; 2011, c. 1, s. 76.

#### Agreement on attribution.

**1029.8.36.72.82.4.2.** The agreement to which subparagraph *b* of the second paragraph of section 1029.8.36.72.82.3.3 refers in respect of a calendar year means an agreement under which all of the qualified corporations that are carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year (in this section called the “group of associated corporations”), attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, must not be greater than the least of

(*a*) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation, to the extent that the salary or wages may reasonably be attributed to a given activity (hereinafter referred to as a “recognized activity in respect of a resource region”) that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of “Saguenay–Lac-Saint-Jean region” in the first paragraph of section 1029.8.36.72.82.1, exceeds the aggregate of all amounts each of which is,

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in the base period of a qualified corporation that is a member of the group of associated corporations, the corporation carried on a business in Québec the activities of which were described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in its base period, for which the employee is an eligible employee of the qualified corporation, to the extent that the salary or wages may reasonably be attributed to a recognized activity in respect of a resource region;

(*b*) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the amount that would be the base amount of such a corporation if, for the purposes of the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered; and

(*c*) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, or the aggregate of all amounts each

of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are recognized activities in respect of a resource region and that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

i. the aggregate of all amounts each of which would be the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are recognized activities in respect of a resource region and that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a pay period that ended in a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.

History: 2010, c. 25, s. 151.

#### Deemed attribution.

**1029.8.36.72.82.5.** If the aggregate of the amounts attributed, in respect of a calendar year, in an agreement referred to in subparagraph *a* or *b* of the second paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, as the case may be, and entered into with the qualified corporations that are carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the least of the excess amounts determined for that calendar year in respect of those corporations under any of subparagraphs *a*

to *c* of the first paragraph of section 1029.8.36.72.82.4 or under any of paragraphs *a* to *c* of section 1029.8.36.72.82.4.1 or 1029.8.36.72.82.4.2, as the case may be, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3, as the case may be, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of the amounts attributed for the calendar year in the agreement.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 204; 2009, c. 15, s. 289; 2010, c. 25, s. 152.

#### §3. — *Government assistance, non-government assistance, contract payments and other particulars*

##### Reduction of expenditure.

**1029.8.36.72.82.6.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, the following rules apply, subject to the second and third paragraphs:

(*a*) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.1 and in subparagraph *i* of subparagraphs *a* and *a.1* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and paid by the qualified corporation, and the amount of the salaries or wages referred to in subparagraph *ii* of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 and paid by a corporation associated with the qualified corporation, are to be reduced, if applicable,

*i.* by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

*ii.* by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and



iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations and referred to in any of sections 1029.8.36.72.82.4, 1029.8.36.72.82.4.1 and 1029.8.36.72.82.4.2, is to be reduced, if applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

**Restriction.**

The aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a pay period that ended in the

qualified corporation's base period, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, in relation to the qualified corporation, for a calendar year ending in a taxation year, may not exceed the aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be, in respect of a pay period that ended in the calendar year, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, as the case may be, in relation to the qualified corporation, for that calendar year.

**Restriction.**

The aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a pay period that ended in the qualified corporation's base period, and determined for the purpose of computing the particular amount referred to in subparagraph *a.1* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, in relation to the qualified corporation, for a calendar year ending in a taxation year, may not exceed the aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, as the case may be, in respect of a pay period that ended in the calendar year, and determined for the purpose of computing the particular amount referred to in subparagraph *a.1* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, as the case may be, in relation to the qualified corporation, for that calendar year.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 205; 2006, c. 13, s. 162; 2009, c. 15, s. 290; 2010, c. 25, s. 153.

**Reductions related to activities carried out in resource region.**

**1029.8.36.72.82.6.1.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under section 1029.8.36.72.82.2 or 1029.8.36.72.82.3, the amount, determined otherwise but without reference to subparagraphs i and iii of subparagraphs *a* and *b* of the first paragraph of section 1029.8.36.72.82.6 and section 1029.8.36.72.82.10, of a salary or wages referred to in the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, in the portion of subparagraph i of subparagraph *a* of the first paragraph of each of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3 before

subparagraph 1, in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 before subparagraph 1 or in the portion of each of subparagraphs *a* and *c* of the first paragraph of section 1029.8.36.72.82.4 before subparagraph i, that is paid, in respect of a pay period that ended in the calendar year 2008, 2009 or 2010, by the qualified corporation or by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee and that may reasonably be attributed to activities that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation, for the year, in respect of a recognized business that it carries on in a resource region, is deemed to be equal to

(a) 98% of that amount if the calendar year is the year 2008;

(b) 96% of that amount if the calendar year is the year 2009; and

(c) 94% of that amount if the calendar year is the year 2010.

History: 2009, c. 5, s. 445; 2009, c. 15, s. 291; 2010, c. 25, s. 154.

#### Reductions related to activities carried out in resource regions.

**1029.8.36.72.82.6.2.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a taxation year, under section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3, the amount, determined otherwise but without reference to subparagraphs i and iii of subparagraphs *a* and *b* of the first paragraph of section 1029.8.36.72.82.6 and section 1029.8.36.72.82.10, of a salary or wages referred to in the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, in the portion of subparagraph i of subparagraphs *a* and *a.1* of the first paragraph of each of sections 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 before subparagraph 1, in the portion of subparagraph ii of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of each of subparagraphs *a* and *c* of the first paragraph of each of sections 1029.8.36.72.82.4 and 1029.8.36.72.82.4.2 before subparagraph i, that is paid, in respect of a pay period that ended in a calendar year subsequent to the calendar year 2009, by the qualified corporation or by another corporation with which the qualified corporation is associated at the end of the calendar year, to an employee and that may reasonably be attributed to recognized activities in respect of a resource region that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation, for the year, in respect of a recognized business that it carries on in a resource region, is deemed to be equal to

(a) 94% of that amount if the calendar year is the year 2010;

(b) 92% of that amount if the calendar year is the year 2011;

(c) 90% of that amount if the calendar year is the year 2012;

(d) 88% of that amount if the calendar year is the year 2013;

(e) 86% of that amount if the calendar year is the year 2014; and

(f) 84% of that amount if the calendar year is the year 2015.

#### Recognized activity in respect of a resource region.

For the purposes of the first paragraph, a recognized activity in respect of a resource region is a given activity that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of “Saguenay–Lac-Saint-Jean region” in the first paragraph of section 1029.8.36.72.82.1.

History: 2010, c. 25, s. 155.

#### Deemed repayment of assistance.

**1029.8.36.72.82.7.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.6, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* or *a.1* of the first paragraph of any of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.82.6, the excess amount referred to in subparagraph *a* or *c* of the first paragraph of section 1029.8.36.72.82.4 or in any of paragraphs *a* to *c* of section 1029.8.36.72.82.4.1 or 1029.8.36.72.82.4.2, as the case may be, determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 206; 2009, c. 115, s. 292; 2010, c. 25, s. 156.

**Rules applicable in cases of amalgamation.**

**1029.8.36.72.82.8.** Where a corporation, in this section referred to as the “new corporation”, resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a “predecessor corporation”, carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284].

**Rules applicable if a subsidiary is wound-up.**

**1029.8.36.72.82.9.** If, after the beginning of the winding-up of a subsidiary, within the meaning of section 556, to which the rules in sections 556 to 564.1 and 565 apply, the parent corporation, within the meaning of section 556, begins to carry on a business the subsidiary was carrying on before the beginning of the winding-up, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which ends the calendar year in which the winding-up began and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 207; 2006, c. 36, s. 175.

**Decrease in or cessation of activities.**

**1029.8.36.72.82.10.** Subject to sections 1029.8.36.72.82.8 and 1029.8.36.72.82.9, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the “vendor”) in relation to a recognized business or a business that could qualify as a recognized business if it were carried on in a designated region, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in this section referred to as the “purchaser”) that is not associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply for the purpose of determining the amount that a particular corporation is deemed to have paid to the Minister under this division for the particular taxation year:

(a) if the particular corporation is the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor’s base period, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$$A \times D \times E,$$

i.1. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor’s base period, for which the employee is an eligible employee, that may reasonably be attributed to activities that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3 and subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.1, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on such activities were considered,

i.2. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor’s base period, for which the employee is an eligible employee, that may reasonably be attributed to a given activity (in this section referred to as a “recognized activity in respect of a resource region”) that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of “Saguenay–Lac-Saint-Jean region” in the first paragraph of section 1029.8.36.72.82.1, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.2, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *a* of the second paragraph,

only the employees of the vendor who carry on such an activity were considered,

ii. the base amount of the vendor is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$B \times D \times E$ ,

iii. the amount that would be the base amount of the vendor if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, is deemed to be equal to the amount by which the amount otherwise determined without reference to subparagraph ii exceeds the amount that would be determined by the formula in subparagraph ii if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on such activities were considered, and

iv. the amount that would be the base amount of the vendor if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, is deemed to be equal to the amount by which the amount otherwise determined without reference to subparagraph ii exceeds the amount that would be determined by the formula in subparagraph ii if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on such an activity were considered;

(b) if the particular corporation is a corporation with which the vendor was associated at the end of the particular calendar year, the following rules apply:

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula

$C \times D \times E$ ,

ii. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.1, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph

exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and

iii. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.2, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph iii exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered;

(c) if the particular corporation is the purchaser, the purchaser is deemed

i. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee, after the particular time, in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

i.1. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2, subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.1, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount that is the proportion of the aggregate, in subparagraph ii.1 referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee, after the particular time, in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the

employee of the part of the activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

i.2. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2, subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.2, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount that is the proportion of the aggregate (in subparagraph ii.2 referred to as the “particular aggregate”) of all amounts each of which is the salary or wages paid by the purchaser to an employee, after the particular time, in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that are recognized activities in respect of a resource region, that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount by which the amount determined pursuant to subparagraph i exceeds the amount of the particular aggregate,

ii.1. to have paid, for the purposes of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2, subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or paragraph *a* of section 1029.8.36.72.82.4.1, as the case may be, to employees in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount by which the amount determined pursuant to subparagraph i.1 exceeds the amount of the particular aggregate,

ii.2. to have paid, for the purposes of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2, subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or paragraph *a* of section 1029.8.36.72.82.4.2, as the case may be, to

employees, in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount by which the amount determined pursuant to subparagraph i.2 exceeds the amount of the particular aggregate,

iii. to have a base amount equal to the aggregate of

(1) the purchaser’s base amount otherwise determined, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the “particular aggregate”, of all amounts each of which is the salary or wages that the purchaser paid to an employee after the particular time in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside a designated region of the purchaser and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,

iii.1. to have an amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and if no reference were made to subparagraph iii or this subparagraph iii.1, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph v referred to as the “particular aggregate”, of all amounts each of which is the salary or wages that the purchaser paid to an employee after

the particular time in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside a designated region of the purchaser and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,

iii.2. to have an amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and if no reference were made to subparagraph iii or this subparagraph iii.2, and

(2) the amount that is the proportion of the aggregate (in subparagraph 2 of subparagraph vi referred to as the “particular aggregate”) of all amounts each of which is the salary or wages that the purchaser paid to an employee after the particular time in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside a designated region of the purchaser and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the

carrying on by the employee of the part of the activities that are recognized activities in respect of a resource region, that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,

iv. to have an eligible amount for the particular calendar year equal to the aggregate of

(1) the purchaser’s eligible amount otherwise determined for the particular calendar year, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii exceeds the amount of the particular aggregate,

v. to have an amount that would be the purchaser’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in that first paragraph were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in that first paragraph were considered, and if no reference were made to subparagraph iv or this subparagraph v, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii.1 exceeds the amount of the particular aggregate, and

vi. to have an amount that would be the purchaser’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and if no reference were made to subparagraph iv or this subparagraph vi, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii.2 exceeds the amount of the particular aggregate; and

(d) if the particular corporation is a corporation that is associated with the purchaser at the end of the particular calendar year, the following rules apply:

i. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, to have paid to the employees that are referred to therein

(1) in respect of a pay period that ended in the particular corporation's base period, the amount that is the proportion of the aggregate, in subparagraph 2 referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

(2) in respect of a pay period that ended in the particular calendar year, the amount by which the amount determined pursuant to subparagraph 1 exceeds the amount of the particular aggregate,

ii. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or paragraph *c* of section 1029.8.36.72.82.4.1, to have paid to the employees that are referred to therein

(1) in respect of a pay period that ended in the particular corporation's base period, the amount that is the proportion of the aggregate, in subparagraph 2 referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec

and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1, that began or increased at the particular time, and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

(2) in respect of a pay period that ended in the particular calendar year, the amount by which the amount determined pursuant to subparagraph 1 exceeds the amount of the particular aggregate, and

iii. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or paragraph *c* of section 1029.8.36.72.82.4.2, to have paid to employees that are referred to therein

(1) in respect of a pay period that ended in the particular corporation's base period, the amount that is the proportion of the aggregate (in subparagraph 2 referred to as the "particular aggregate") of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that are recognized activities in respect of a resource region, that began or increased at the particular time, and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

(2) in respect of a pay period that ended in the particular calendar year, the amount by which the amount determined

pursuant to subparagraph 1 exceeds the amount of the particular aggregate.

**Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) A is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee;

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

i. the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee, or

ii. the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business;

(c) C is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;

(d) D is the proportion that the number of the vendor's employees referred to in any of subparagraphs *a* to *c*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(e) E is,

i. if this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year and the vendor's business referred to in the first paragraph is a business carried on on a seasonal basis, the proportion that the number of days in the particular

calendar year that are included in the period during which such a business is ordinarily carried on on a seasonal basis and that follow the particular time is of the number of days in that period,

ii. if this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year and the vendor's business referred to in the first paragraph is not a business carried on on a seasonal basis, the proportion that the number of days in the particular calendar year that follow the particular time is of 365, and

iii. in any other case, 1.

**Amount of the particular aggregate.**

For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and that is referred to in subparagraph i of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph iii of that subparagraph *c* or subparagraph i.1 or i.2 of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph iii.1 or iii.2 of that subparagraph *c*, in the case where the purchaser is the particular corporation, or subparagraph 1 of subparagraph i of subparagraph *d* of the first paragraph or subparagraph 1 of subparagraph ii or iii of that subparagraph *d*, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.

**Business carried on on seasonal basis.**

Subject to the third paragraph and for the purposes of this section, if the vendor's business referred to in the first paragraph is a business carried on on a seasonal basis, the proportion that 365 is of the number of days in the particular calendar year during which the purchaser carried on the activities described in that paragraph, which proportion is referred to in subparagraph i of subparagraph *c* of the first paragraph and in subparagraph 2 of subparagraph iii of that subparagraph *c* or in subparagraph i.1 or i.2 of subparagraph *c* of the first paragraph and in subparagraph 2 of subparagraph iii.1 or iii.2 of that subparagraph *c*, in the case where the purchaser is the particular corporation, or in subparagraph 1 of subparagraph i of subparagraph *d* of the first paragraph or in subparagraph 1 of subparagraph ii or iii of that subparagraph *d*, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, is to be replaced,

(a) if the activities described in the first paragraph relate to a recognized business of the vendor, by the proportion that the number of days that are in the vendor's base period and in respect of which the vendor paid a salary or wages to an



eligible employee in the course of carrying on the business on a seasonal basis is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis;

(b) if the activities described in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, by the proportion that the number of days that are in the purchaser's base period and in respect of which the vendor paid a salary or wages, in the course of carrying on the business on a seasonal basis, to an employee who reports for work at an establishment of the vendor situated in Québec and who spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of the recognized business is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis; and

(c) if the activities described in the first paragraph relate neither to a recognized business of the vendor nor to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, by the proportion that the number of days that are in the other corporation's base period and in respect of which the vendor paid a salary or wages, in the course of carrying on the business on a seasonal basis, to an employee who reports for work at an establishment of the vendor situated in Québec and who spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued to the other corporation, for the purposes of this division, for the year in respect of the recognized business is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284]; 2005, c. 23, s. 208; 2006, c. 36, s. 176; 2009, c. 5, s. 446; 2009, c. 15, s. 293; 2010, c. 25, s. 157; 2011, c. 1, s. 77.

#### Decrease in or cessation of activities.

**1029.8.36.72.82.10.1.** Subject to sections 1029.8.36.72.82.8 and 1029.8.36.72.82.9, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the “vendor”) in relation to a recognized business or a business that could qualify as a recognized business if it were carried on in a designated region, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in this section referred to as the “purchaser”) that is associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular

time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply for the purpose of determining the amount that a particular corporation is deemed to have paid to the Minister under this division for the particular taxation year:

(a) if the particular corporation is the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$A \times G,$

ii. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee, that may reasonably be attributed to activities that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3 and subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.1, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on such activities were considered,

ii.1. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee, that may reasonably be attributed to a given activity (in this section referred to as a “recognized activity in respect of a resource region”) that is not an activity described in any of paragraphs *a* and *b* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, an activity that is carried on in a region described in paragraph *a.1* or *e* of the definition of that expression, enacted by subparagraph *b.1* of the seventh paragraph of section 1029.8.36.72.82.1, and that is described in that paragraph *a.1* or *e*, or an activity described in the definition of “Saguenay–Lac-Saint-Jean region” in the first paragraph of section 1029.8.36.72.82.1, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.3.2 and

1029.8.36.72.82.3.3 and subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.2, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on such an activity were considered,

iii. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of sections 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$B \times G$ ,

iv. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, that may reasonably be attributed to activities that are referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1, is deemed, for the purposes of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.2 and 1029.8.36.72.82.3 and paragraph *a* of section 1029.8.36.72.82.4.1, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on such activities were considered,

iv.1. the aggregate of all amounts each of which is the portion of a salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, that may reasonably be attributed to a recognized activity in respect of a resource region, is deemed, for the purposes of subparagraph i of subparagraph *a.1* of the first paragraph of sections 1029.8.36.72.82.3.2 and 1029.8.36.72.82.3.3 and paragraph *a* of section 1029.8.36.72.82.4.2, to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on such an activity were considered,

v. the base amount of the vendor is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$C \times G$ ,

vi. the amount that would be the vendor’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, is deemed to be equal to the amount by which that amount determined without reference to subparagraph v exceeds the amount that would be determined by the formula in subparagraph v if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on such activities were considered,

vi.1. the amount that would be the vendor’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, is deemed to be equal to the amount by which that amount determined without reference to subparagraph v exceeds the amount that would be determined by the formula in subparagraph v if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on such an activity were considered,

vii. the eligible amount of the vendor for the particular calendar year is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$D \times G$ ,

viii. the amount that would be the vendor’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, is deemed to be equal to the amount by which that amount determined without reference to subparagraph vii exceeds the amount that would be determined by the formula in subparagraph vii if, for the purposes of subparagraph *d* of the second paragraph, only the employees of the vendor who carry on such activities were considered, and

ix. the amount that would be the vendor’s eligible amount for the particular calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, is deemed to be equal to the amount by which that amount determined without reference to

subparagraph vii exceeds the amount that would be determined by the formula in subparagraph vii if, for the purposes of subparagraph *d* of the second paragraph, only the employees of the vendor who carry on such an activity were considered;

(b) if the particular corporation is a corporation with which the vendor was associated at the end of the particular calendar year, the following rules apply:

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula

$E \times G$ ,

ii. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.1, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *e* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered,

ii.1. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.2, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph ii.1 exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *e* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered,

iii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4 before subparagraph i, as the case may be, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this

subparagraph iii exceeds the amount determined by the formula

$F \times G$ ,

iv. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.4.1 before subparagraph i, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph exceeds the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *f* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and

v. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.4.2 before subparagraph i, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph v exceeds the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *f* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered;

(c) if the particular corporation is the purchaser, the purchaser is deemed

i. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount determined by the formula

$A \times G$ ,

ii. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 or subparagraph ii of paragraph *a* of section 1029.8.36.72.82.4.1, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount that would be determined by the formula in subparagraph i if, for the purposes of

subparagraph *a* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered,

ii.1. to have paid, for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph *ii* of paragraph *a* of section 1029.8.36.72.82.4.2, as the case may be, to employees, in respect of a pay period, ended in the purchaser’s base period, for which the employees are eligible employees, the amount that would be determined by the formula in subparagraph *i* if, for the purposes of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered,

iii. to have paid, for the purposes of subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.2, 1029.8.36.72.82.3, 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or subparagraph *a* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, to employees in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount determined by the formula

$B \times G,$

iv. to have paid, for the purposes of subparagraph *i* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.2 or 1029.8.36.72.82.3 or paragraph *a* of section 1029.8.36.72.82.4.1, as the case may be, to employees in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount that would be determined by the formula in subparagraph *iii* if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered,

iv.1. to have paid, for the purposes of subparagraph *i* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.2 or 1029.8.36.72.82.3.3 or paragraph *a* of section 1029.8.36.72.82.4.2, as the case may be, to employees, in respect of a pay period, ended in the particular calendar year, for which the employees are eligible employees, the amount that would be determined by the formula in subparagraph *iii* if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered,

v. to have a base amount equal to the aggregate of

(1) the purchaser’s base amount otherwise determined, and

(2) the amount determined by the formula

$C \times G,$

vi. to have an amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in that first paragraph were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in that first paragraph were considered, and if no reference were made to subparagraph *v* or this subparagraph *vi*, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph *v* if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered,

vi.1. to have an amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and if no reference were made to subparagraph *v* or this subparagraph *vi.1*, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph *v* if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered,

vii. to have an eligible amount for the particular calendar year equal to the aggregate of

(1) the purchaser’s eligible amount otherwise determined for the particular calendar year, and

(2) the amount determined by the formula

D × G,

viii. to have an amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in that first paragraph were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in that first paragraph were considered, and if no reference were made to subparagraph vii or this subparagraph viii, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph vii if, for the purposes of subparagraph *d* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1 were considered, and

ix. to have an amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, that is equal to the aggregate of

(1) the amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.1, only the portion of the salary or wages of an employee that may reasonably be attributed to a recognized activity in respect of a resource region were considered, and if no reference were made to subparagraph vii or this subparagraph ix, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph vii if, for the purposes of subparagraph *d* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered; and

(*d*) if the particular corporation is a corporation that is associated with the purchaser at the end of the particular calendar year, the following rules apply:

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or

1029.8.36.72.82.3.3 or in subparagraph ii of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4, as the case may be, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph i, and

(2) the amount determined by the formula

E × G,

ii. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.1, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph ii, and

(2) the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *e* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.1 were considered,

ii.1. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.4.2, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph ii.1, and

(2) the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *e* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered,

iii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.3 or 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of subparagraph *c* of the first paragraph of section 1029.8.36.72.82.4 before subparagraph i, as the case may be, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph iii for the particular calendar year, and

(2) the amount determined by the formula

$F \times G$ ,

iv. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.4.1 before subparagraph i, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph iv for the particular calendar year, and

(2) the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *f* of the second paragraph, only the employees of the vendor who carry on activities referred to in any of paragraphs *a* to *d* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.1 were considered, and

v. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.3.3 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.4.2 before subparagraph i, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph v for the particular calendar year, and

(2) the amount that would be determined by the formula in subparagraph iii if, for the purposes of subparagraph *f* of the second paragraph, only the employees of the vendor who carry on a recognized activity in respect of a resource region were considered.

#### Interpretation.

In the formulas in subparagraphs *a* to *d* of the first paragraph,

(a) A is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph i of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor’s base period, for which the employee is an eligible employee, and

ii. for the purposes of subparagraph i of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period,

ended in the vendor’s base period, for which the employee is an eligible employee,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the purchaser’s base period, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

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

i. for the purposes of subparagraph iii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, and

ii. for the purposes of subparagraph iii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

(c) C is the aggregate of all amounts each of which is

i. for the purposes of subparagraph v of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor’s base period, for which the employee is an eligible employee, or the salary or wages of an employee of the vendor paid by the vendor in respect of a pay period, ended in the vendor’s base period, in which the employee reports for work at an

establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

ii. for the purposes of subparagraph 2 of subparagraph v of subparagraph c of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the vendor's base period, for which the employee is an eligible employee, or the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the vendor's base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside a designated region of the vendor and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the purchaser's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

(d) D is the aggregate of all amounts each of which is

i. for the purposes of subparagraph vii of subparagraph a of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee in respect of a pay period that ended in the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

ii. for the purposes of subparagraph 2 of subparagraph vii of subparagraph c of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee in respect of a pay period that ended in the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

(e) E is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;

(f) F is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an

amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business; and

(g)  $G$  is the proportion that the number of the vendor's employees referred to in any of subparagraphs  $a$  to  $f$ , as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time.

History: 2005, c. 23, s. 209; 2006, c. 36, s. 177; 2009, c. 5, s. 447; 2009, c. 15, s. 294; 2010, c. 25, s. 158; 2011, c. 1, s. 78.

#### Associated persons.

**1029.8.36.72.82.10.2.** For the purposes of sections 1029.8.36.72.82.10 and 1029.8.36.72.82.10.1, for the purpose of determining whether a vendor and a purchaser are associated with each other at a particular time, if the vendor or purchaser is an individual, other than a trust, the vendor or purchaser is deemed to be a corporation all the voting shares in the capital stock of which are owned at the particular time by the individual.

History: 2005, c. 23, s. 209; 2009, c. 5, s. 448; 2009, c. 15, s. 295; 2015, c. 36, s. 120.

#### Assistance, benefit or advantage deemed nil.

**1029.8.36.72.82.11.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or fiscal period in which the base period of a particular corporation ends, and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph  $a$  or  $b$  of the first paragraph of section 1029.8.36.72.82.6, as the case may be, the amount of the salaries or wages paid by the particular corporation or a corporation that is associated with the particular corporation, in respect of the base period of the particular corporation, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284].

#### Corporations deemed associated.

**1029.8.36.72.82.12.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2004, c. 21, s. 412 [amended by 2005, c. 23, s. 284].

#### DIVISION II.6.6.6.2

#### CREDIT TO PROMOTE EMPLOYMENT IN THE GASPÉSIE AND CERTAIN MARITIME REGIONS OF QUÉBEC

##### §1. — *Definitions and general*

#### Definitions:

**1029.8.36.72.82.13.** In this division,

“*base amount*”;

“base amount” of a corporation means

( $a$ ) except in respect of a corporation that results from an amalgamation, an amount equal to zero, if, at no time in its base period, the corporation carried on a business in Québec in the sectors of activity described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business; and

( $b$ ) in any other case, the aggregate of all amounts each of which is the salary or wages of an employee that were paid by the corporation in respect of a pay period, ended in its base period, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;

“*base period*”;

“base period” of a corporation means, subject to the fourth paragraph, the 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.6.6.1, in relation to a recognized business described in paragraph  $a$  or  $c$  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, respectively, by subparagraphs i and ii of subparagraph  $b.1$  of the seventh paragraph of section



1029.8.36.72.82.1, the earliest of the following calendar years that is before the first-mentioned 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;

**“eligibility period”;**

“eligibility period” of a corporation means, subject to the third paragraph, the period that begins on 1 January of the first calendar year referred to in the first unrevoked qualification certificate issued to the corporation or deemed obtained by it, in relation to a recognized business, for the purposes of this division or, if the recognized business is referred to in any of paragraphs *b* and *d* to *f* of the definition of “eligible region”, for the purposes of Division II.6.6.4 or II.6.6.6.1, and that ends on 31 December 2020;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a pay period, ended in the year, for which the employee is an eligible employee; or

(b) the salary or wages of an employee, other than an employee referred to in paragraph *a*, that were paid by the corporation in respect of a pay period, ended in the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in a qualification certificate issued, for the purposes of this division, to the corporation for the year in respect of a recognized business;

**“eligible employee”;**

“eligible employee” of a corporation, for a pay period that ended in a calendar year, means an employee who, in that period, reports for work at an establishment of the employer situated in an eligible region and in respect of whom a

qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division;

**“eligible region”;**

“eligible region” means

(a) in respect of a recognized business whose activities described in a qualification certificate, issued to a corporation for the purposes of this division, are the manufacturing or processing of finished or semi-finished products in the field of marine biotechnology or mariculture, or activities related to such manufacturing or processing activities, one of the following administrative regions described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1):

- i. administrative region 01 Bas-Saint-Laurent,
- ii. administrative region 09 Côte-Nord, or
- iii. administrative region 11 Gaspésie—Îles-de-la-Madeleine;

(b) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year subsequent to the calendar year 2010 ends and, if the corporation has not made the election provided for in section 1029.8.36.72.82.3.1.1, for its taxation year in which the calendar year 2010 ends, in respect of a recognized business whose activities described in a qualification certificate, issued to the corporation for the purposes of this division, are the processing of marine products or activities related to such processing activities, the Municipalité régionale de comté de La Matanie or the administrative region referred to in subparagraph *ii* of paragraph *a* and described in the order in council referred to in paragraph *a*;

(c) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year subsequent to the calendar year 2014 ends in respect of a recognized business whose activities described in a qualification certificate, issued to the corporation for the purposes of this division, are activities in the recreational tourism sector or activities related to such activities, the part of the administrative region referred to in subparagraph *iii* of paragraph *a* and described in the order in council referred to in paragraph *a* that is represented by the territory of the urban agglomeration of Îles-de-la-Madeleine;

(d) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year subsequent to the calendar year 2015 ends in respect of a recognized business whose activities described in a qualification certificate, issued to the corporation for the purposes of this division, are manufacturing or processing activities, other than those referred to in paragraphs *a* and *f*, included in the group described under code 31, 32 or 33 of the North American Industry Classification System (NAICS)

Canada, as amended from time to time and published by Statistics Canada, or activities related to such manufacturing or processing activities, the administrative region referred to in subparagraph iii of paragraph *a* and described in the order in council referred to in paragraph *a*;

(*e*) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year subsequent to the calendar year 2015 ends in respect of a recognized business whose activities described in a qualification certificate, issued to the corporation for the purposes of this division, are the manufacturing or processing of finished or semi-finished products made from peat or slate or activities related to such manufacturing or processing activities, one of the administrative regions referred to in subparagraphs i and ii of paragraph *a* and described in the order in council referred to in paragraph *a*; and

(*f*) for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which a calendar year subsequent to the calendar year 2015 ends in respect of a recognized business whose activities described in a qualification certificate, issued to the corporation for the purposes of this division, are the manufacturing of wind turbines, the production of wind power or activities related to such manufacturing or production activities, the Municipalité régionale de comté de La Matanie or the administrative region referred to in subparagraph iii of paragraph *a* and described in the order in council referred to in paragraph *a*;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(*a*) if the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18, that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14 that relates to a calendar year preceding the calendar year ending in the taxation year, except to the extent that subparagraph *a.1* applies to the repayment, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*a.1*) if the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18, that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.14 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the particular amount that would have been determined under that subparagraph *a.1* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.14 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(*b*) if a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, except to the extent that paragraph *b.1* applies to the repayment, the amount by which the particular amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

(b.1) if a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the particular amount that would have been determined under that subparagraph *a.1* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

(c) if a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.18 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the aggregate and the excess amount referred to in paragraphs *a* and *c*, respectively, of section 1029.8.36.72.82.16 and determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, except to the extent that paragraph *d* applies to the repayment, the amount by which the particular amount that would have been determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.82.16 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the

calendar year or a preceding calendar year, and if the amount determined in accordance with section 1029.8.36.72.82.16 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(d) if a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.18 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the aggregate and the excess amount referred to in paragraphs *a* and *c*, respectively, of section 1029.8.36.72.82.16.1 and determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the particular amount that would have been determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph *a* or *c* of section 1029.8.36.72.82.16.1 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined in accordance with section 1029.8.36.72.82.16.1 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the particular amount determined under subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends; or

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192;

**“recognized business”;**

“recognized business” of a corporation means a business carried on in a calendar year by the corporation in an eligible region and in respect of which a qualification certificate is issued for the year by Investissement Québec for the purposes of this division;

**“salary or wages”.**

“salary or wages” means the income computed under Chapters I and II of Title II of Book III, but does not include,

(a) for an employee whose activities relate to the commercialization of activities or products of a recognized business, directors’ fees, premiums, compensation for hours worked in addition to normal working hours or benefits referred to in Division II of Chapter II of Title II of Book III;

(b) for all other employees, directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III; or

(c) for the purposes of subparagraph i of subparagraphs *a* and *a.1* of the first paragraph of sections 1029.8.36.72.82.14 and 1029.8.36.72.82.15 and paragraph *a* of sections 1029.8.36.72.82.16 and 1029.8.36.72.82.16.1, wages in respect of which no contribution is payable to the Minister by a corporation in accordance with subparagraph *d.1* of the seventh paragraph of section 34 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5) and section 34.1.0.3 of that Act.

**Rules.**

For the purposes of this division,

(a) if, during a pay period that ended in a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed,

i. unless subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec;

(a.1) if, during a pay period that ended in a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible region and at an

establishment of the qualified corporation situated outside the eligible region, the employee is, for that period, deemed,

i. unless subparagraph ii applies, to report for work only at the establishment situated in the eligible region, or

ii. to report for work only at the establishment situated outside the eligible region if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the eligible region; and

(b) if, during a pay period that ended in a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Qualification certificate cancelled because of a major unforeseen event.**

If Investissement Québec cancels a qualification certificate issued, for the purposes of this division, to a corporation, in relation to a recognized business the corporation carries on in an eligible region, because of a major unforeseen event affecting the recognized business, the qualification certificate is deemed not to have been so cancelled, for the purpose of determining the eligibility period of the corporation, if the corporation has resumed carrying on the recognized business in a municipality more than 40 kilometres away from the municipality in which the recognized business was carried on before the major unforeseen event occurred.

**Base period.**

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.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2005, c. 23, s. 210; 2006, c. 13, s. 163; 2006, c. 36, s. 178; 2009, c. 15, s. 296; 2010, c. 25, s. 160; 2012, c. 8, s. 225; 2017, c. 1, s. 284.

**§2. — Credits****Credit.**

**1029.8.36.72.82.14.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation's eligibility period and that encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to the aggregate of

(a) the result obtained by multiplying the percentage specified in subparagraph *a* of the fourth paragraph by the particular amount that is the amount by which the lesser of the following amounts exceeds the particular amount determined for the calendar year in accordance with subparagraph *a.1*:

i. the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount;

(a.1) the result obtained by multiplying the percentage in subparagraph *b* of the fourth paragraph by the particular amount that is the least of

i. the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to an activity referred to in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13,

ii. the amount by which the amount that would be the qualified corporation's eligible amount for the calendar year exceeds the amount that would be the qualified corporation's base amount if, for the purposes of the definitions of "base amount" and "eligible amount" in the first paragraph of

section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity referred to in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, and

iii. the lesser of the amount determined for the calendar year in accordance with subparagraph i of subparagraph *a* and the amount determined for that year in accordance with subparagraph ii of subparagraph *a*; and

(b) the aggregate of

i. the result obtained by multiplying the percentage specified in subparagraph *b* of the fourth paragraph by the portion of the qualified corporation's eligible repayment of assistance for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount referred to in any of paragraphs *a.1*, *b.1* and *d* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.13, and

ii. the result obtained by multiplying the percentage specified in subparagraph *a* of the fourth paragraph by the amount by which the qualified corporation's eligible repayment of assistance for the taxation year exceeds the portion of the qualified corporation's eligible repayment of assistance for the taxation year determined in accordance with subparagraph i.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

- (a) the prescribed form containing the prescribed information; and
- (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.

**Percentages applicable.**

The percentages to which the following provisions of the first paragraph refer are the following, as applicable:

- (a) for the portion of subparagraph *a* before subparagraph *i* and for subparagraph *ii* of subparagraph *b*:
  - i. 36% for the taxation year in which the calendar year 2014 ends,
  - ii. 32% for the taxation year in which the calendar year 2015 ends,
    - ii.1. 30% for a taxation year in which a calendar year subsequent to the calendar year 2015 ends, and
  - iii. 40% for any other taxation year; and
- (b) for the portion of subparagraph *a.1* before subparagraph *i* and for subparagraph *i* of subparagraph *b*:
  - i. 18% for the taxation year in which the calendar year 2014 ends,
  - ii. 16% for the taxation year in which the calendar year 2015 ends,
    - ii.1. 15% for a taxation year in which a calendar year subsequent to the calendar year 2015 ends, and
  - iii. 20% for any other taxation year.

**Salary or wages limit.**

For the purposes of subparagraph *i* of subparagraphs *a* and *a.1* of the first paragraph, the aggregate of all amounts each of which is the salary or wages paid by a corporation to an employee in respect of a pay period, ended in a calendar year subsequent to the calendar year 2015, for which the employee is an eligible employee of the corporation, determined after the application of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18, if applicable, may not exceed, in respect of the employee, the amount obtained by multiplying \$83,333 by the proportion that the number of days in each pay period, ended in the calendar year, for

which the employee is an eligible employee of the corporation is of 365.

History: 2005, c. 23, s. 210; 2010, c. 25, s. 161; 2012, c. 8, s. 226; 2015, c. 21, s. 457; 2017, c. 1, s. 285.

**Credit for associated corporations.**

**1029.8.36.72.82.15.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period and that encloses the documents referred to in the fourth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to the aggregate of

(a) subject to the second paragraph, the result obtained by multiplying the percentage specified in subparagraph *a* of the fifth paragraph by the particular amount that is the amount by which the least of the following amounts exceeds the particular amount determined for the calendar year in accordance with subparagraph *a.1*:

- i. the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee,
- ii. the amount by which the aggregate of the qualified corporation's eligible amount for the calendar year and the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

(1) the qualified corporation's base amount, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the qualified corporation's base period, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the

purposes of this division, to the qualified corporation for the year in respect of a recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the qualified corporation's base amount;

(a.1) subject to the second paragraph, the result obtained by multiplying the percentage specified in subparagraph *b* of the fifth paragraph by the particular amount that is the least of

i. the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee, to the extent that the salary or wages may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13,

ii. the amount by which the aggregate of the amount that would be the qualified corporation's eligible amount for the calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, and of the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to an activity of the other corporation that is described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that is described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13, exceeds the total of

(1) the amount that would be the qualified corporation's base amount if, for the purposes of the definition of "base amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, ended in the qualified corporation's base period, in which the employee reports for work at an establishment of the other corporation

situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to an activity of the other corporation that is described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that is described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13,

iii. the amount by which the amount that would be the qualified corporation's eligible amount for the calendar year exceeds the amount that would be the qualified corporation's base amount if, for the purposes of the definitions of "base amount" and "eligible amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, and

iv. the least of the amounts determined for the calendar year in accordance with subparagraphs i to iii of subparagraph *a*; and

(b) the aggregate of

i. the result obtained by multiplying the percentage specified in subparagraph *b* of the fifth paragraph by the portion of the qualified corporation's eligible repayment of assistance for the taxation year that may reasonably be attributed to the aggregate of all amounts each of which is an amount referred to in any of paragraphs *a.1*, *b.1* and *d* of the definition of "eligible repayment of assistance" in the first paragraph of section 1029.8.36.72.82.13, and

ii. the result obtained by multiplying the percentage specified in subparagraph *a* of the fifth paragraph by the amount by which the qualified corporation's eligible repayment of assistance for the taxation year exceeds the portion of the qualified corporation's eligible repayment of assistance for the taxation year determined in accordance with subparagraph i.

#### **Restriction.**

If the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the taxation year in which the calendar year ends, the following rules apply:

(a) the least of the amounts determined under any of subparagraphs i to iii of subparagraph *a* of the first paragraph, in respect of the calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.16; and

(b) the particular amount determined, if applicable, under subparagraph *a.1* of the first paragraph, in respect of the

calendar year, may not exceed the amount that is attributed to it in respect of that year pursuant to the agreement referred to in section 1029.8.36.72.82.16.1.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(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

(c) if the second paragraph applies, the agreement referred to in section 1029.8.36.72.82.16 and, if applicable, the agreement referred to in section 1029.8.36.72.82.16.1, filed in the prescribed form.

#### Percentages applicable.

The percentages to which the following provisions of the first paragraph refer are the following, as applicable:

(a) for the portion of subparagraph *a* before subparagraph *i* and for subparagraph *ii* of subparagraph *b*:

i. 36% for the taxation year in which the calendar year 2014 ends,

ii. 32% for the taxation year in which the calendar year 2015 ends,

ii.1. 30% for a taxation year in which a calendar year subsequent to the calendar year 2015 ends, and

iii. 40% for any other taxation year; and

(b) for the portion of subparagraph *a.1* before subparagraph *i* and for subparagraph *i* of subparagraph *b*:

i. 18% for the taxation year in which the calendar year 2014 ends,

ii. 16% for the taxation year in which the calendar year 2015 ends,

ii.1. 15% for a taxation year in which a calendar year subsequent to the calendar year 2015 ends, and

iii. 20% for any other taxation year.

#### Salary or wages limit.

For the purposes of subparagraph *i* of subparagraphs *a* and *a.1* of the first paragraph, the aggregate of all amounts each of which is the salary or wages paid by a corporation to an employee in respect of a pay period, ended in a calendar year subsequent to the calendar year 2015, for which the employee is an eligible employee of the corporation, determined after the application of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18, if applicable, may not exceed, in respect of the employee, the amount obtained by multiplying \$83,333 by the proportion that the number of days in each pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation is of 365.

History: 2005, c. 23, s. 210; 2006, c. 36, s. 179; 2010, c. 25, s. 162; 2012, c. 8, s. 227; 2015, c. 21, s. 458; 2017, c. 1, s. 286.

#### Agreement on attribution.

**1029.8.36.72.82.16.** The agreement to which subparagraph *a* of the second paragraph of section 1029.8.36.72.82.15 refers in respect of a calendar year means an agreement under which all of the qualified corporations that are carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year, hereinafter called the “group of associated corporations”, attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation, determined after the application of subparagraph *b* of the first



paragraph of section 1029.8.36.72.82.18, if applicable, without exceeding, in respect of the aggregate of the pay periods of each employee ended in the calendar year, if the calendar year is subsequent to the calendar year 2015, the amount obtained by multiplying \$83,333 by the proportion that the number of days in the pay periods for which the employee is an eligible employee of the corporation is of 365;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a pay period that ended in a base period in

relation to another recognized business carried on by a qualified corporation that is a member of the group.

History: 2005, c. 23, s. 210; 2006, c. 36, s. 180; 2010, c. 25, s. 163; 2017, c. 1, s. 287.

**Agreement on attribution.**

**1029.8.36.72.82.16.1.** The agreement to which subparagraph *b* of the second paragraph of section 1029.8.36.72.82.15 refers in respect of a calendar year means an agreement under which all of the qualified corporations that are carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year (in this section called the “group of associated corporations”), attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, must not be greater than the least of

(a) the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, ended in the calendar year, for which the employee is an eligible employee of the corporation, to the extent that the salary or wages, determined after the application of subparagraph *b* of the first paragraph of section 1029.8.36.72.82.18, if applicable, may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13, without exceeding, in respect of the aggregate of the pay periods of each employee ended in the calendar year, if the calendar year is subsequent to the calendar year 2015, the amount obtained by multiplying \$83,333 by the proportion that the number of days in the pay periods for which the employee is an eligible employee of the corporation is of 365;

(b) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the amount that would be the base amount of such a corporation if, for the purposes of the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered; and

(c) the amount by which the aggregate of all amounts each of which is the amount that would be the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b*

and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered, or the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to an activity of the other corporation that is described in a qualification certificate issued, for the purposes of this division, to the qualified corporation for the year in respect of a recognized business and that is described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section, exceeds the total of

i. the aggregate of all amounts each of which would be the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, ended in the base period of a qualified corporation that is a member of the group at the end of the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to an activity of the other corporation that is described in a qualification certificate issued for the year, for the purposes of this division and in respect of a recognized business, to a qualified corporation that is a member of the group and that is described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13, unless an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a pay period that ended in a base period in relation to another recognized business carried on by a qualified corporation that is a member of the group.

History: 2010, c. 25, s. 164; 2017, c. 1, s. 288.

#### Deemed attribution.

**1029.8.36.72.82.17.** If the aggregate of the amounts attributed, in respect of a calendar year, in an agreement referred to in paragraph *a* or *b* of the second paragraph of

section 1029.8.36.72.82.15 and entered into with the qualified corporations that are carrying on, in that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the least of the amounts determined for that calendar year in respect of those corporations under any of paragraphs *a* to *c* of section 1029.8.36.72.82.16 or any of paragraphs *a* to *c* of section 1029.8.36.72.82.16.1, as the case may be, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.82.15, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2005, c. 23, s. 210; 2010, c. 25, s. 165.

#### §3. — *Government assistance, non-government assistance, contract payments and other particulars*

##### Reduction of expenditure.

**1029.8.36.72.82.18.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.82.13, in subparagraph i of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.14 or in subparagraph i of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.15 and paid by the qualified corporation, and the amount of the salaries or wages referred to in subparagraph ii of subparagraphs *a* and *a.1* of the first paragraph of section 1029.8.36.72.82.15 and paid by a corporation associated with the qualified corporation shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations and referred to in section 1029.8.36.72.82.16 or 1029.8.36.72.82.16.1, is to be reduced, if applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

**Restriction.**

The aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a pay period that ended in the

qualified corporation's base period, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, in relation to the qualified corporation, for a calendar year ending in a taxation year, may not exceed the aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, in respect of a pay period that ended in that calendar year, and determined for the purpose of computing the particular amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, in relation to the qualified corporation, for that calendar year.

**Restriction.**

The aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it, in respect of a pay period that ended in the qualified corporation's base period, and determined for the purpose of computing the particular amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, in relation to the qualified corporation, for a calendar year ending in a taxation year, may not exceed the aggregate of the amounts referred to in the first paragraph that are to reduce the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, in respect of a pay period that ended in that calendar year, and determined for the purpose of computing the particular amount referred to in subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, in relation to the qualified corporation, for that calendar year.

History: 2005, c. 23, s. 210; 2006, c. 13, s. 165; 2010, c. 25, s. 166.

**Deemed repayment of assistance.**

**1029.8.36.72.82.19.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, if that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.82.18, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* or *a.1* of the first paragraph of section 1029.8.36.72.82.14 or 1029.8.36.72.82.15, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.82.18, the aggregate and the excess amount referred to, respectively, in paragraphs *a* and *c* of section 1029.8.36.72.82.16 or paragraphs *a* to *c* of section 1029.8.36.72.82.16.1, as the case

may be, and determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2005, c. 23, s. 210; 2010, c. 25, s. 167.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.82.20.** If a corporation, in this section referred to as the “new corporation”, resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which referred to in this section as a “predecessor corporation”, carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which ends the calendar year in which the amalgamation occurred and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

History: 2005, c. 23, s. 210.

#### Rules applicable if a subsidiary is wound-up.

**1029.8.36.72.82.21.** If, after the beginning of the winding-up of a subsidiary, within the meaning of section 556, to which the rules in sections 556 to 564.1 and 565 apply, the parent corporation, within the meaning of section 556, begins to carry on a business the subsidiary was carrying on before the beginning of its winding-up, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which ends the calendar year in which the winding-up began and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

History: 2005, c. 23, s. 210; 2006, c. 36, s. 181.

#### Decrease in or cessation of activities.

**1029.8.36.72.82.22.** Subject to sections 1029.8.36.72.82.20 and 1029.8.36.72.82.21, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the “vendor”) in relation to a recognized business or a business that could qualify as a recognized business if it were carried on in an eligible region, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in

this section referred to as the “purchaser”) that is not associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply for the purpose of determining the amount that a particular corporation is deemed to have paid to the Minister under this division for the particular taxation year:

(a) if the particular corporation is the vendor,

i. the base amount of the vendor is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$$A \times C \times D, \text{ and}$$

ii. the amount that would be the base amount of the vendor if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered, is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph i if, for the purposes of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on such an activity were considered;

(b) if the particular corporation is a corporation with which the vendor was associated at the end of the particular calendar year,

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.16, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula

$$B \times C \times D, \text{ and}$$

ii. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.82.16.1, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph ii exceeds the amount that would be determined in accordance with the formula in subparagraph i if, for the purposes of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region”

in the first paragraph of section 1029.8.36.72.82.13 were considered;

(c) if the particular corporation is the purchaser, the purchaser is deemed

i. to have a base amount equal to the aggregate of

(1) the purchaser's base amount otherwise determined, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the purchaser that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,

i.1. to have an amount that would be the purchaser's base amount if, for the purposes of the definition of "base amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, equal to the aggregate of

(1) the amount that would be the purchaser's base amount if, for the purposes of the definition of "base amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in paragraph *b* of the definition of "eligible region" in the first paragraph of that section were considered, otherwise determined, and

(2) the amount that is the proportion of the aggregate (in subparagraph 2 of subparagraph iii referred to as the "particular aggregate") of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or

supporting work that is directly related to an activity of the purchaser that is described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of a recognized business, and that is described in paragraph *b* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activity that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on the activity, unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business,

ii. to have an eligible amount for the particular calendar year equal to the aggregate of

(1) the purchaser's eligible amount otherwise determined for the particular calendar year, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph i exceeds the amount of the particular aggregate, and

iii. to have an amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, equal to the aggregate of

(1) the amount that would be the purchaser's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, otherwise determined for the particular calendar year, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph i.1 exceeds the amount of the particular aggregate; and

(d) if the particular corporation is a corporation that is associated with the purchaser at the end of the particular calendar year,

i. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 or paragraph *c* of section 1029.8.36.72.82.16, to have paid to employees referred to therein

(1) in respect of a pay period that ended in the particular corporation's base period, the amount that is the proportion of the aggregate (in subparagraph 2 referred to as the "particular aggregate") of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation, in relation to the particular calendar year, in respect of a recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

(2) in respect of a pay period that ended in the particular calendar year, the amount by which the amount determined pursuant to subparagraph 1 exceeds the amount of the particular aggregate, and

ii. the purchaser is deemed, for the purposes of subparagraph ii of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 or paragraph *c* of section 1029.8.36.72.82.16.1, to have paid to employees referred to therein

(1) in respect of a pay period that ended in the particular corporation's base period, the amount that is the proportion of the aggregate (in subparagraph 2 referred to as the "particular aggregate") of all amounts each of which is the salary or wages of an employee that the purchaser paid after the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to an activity that is described in a qualification certificate issued, for the purposes of this division, to the particular corporation, in relation to the particular calendar year, in respect of a recognized business and that is described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activity that began or increased at the particular time and unless an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 1, in relation to a recognized business carried on by a corporation other than

the particular corporation, that 365 is of the number of days in the particular calendar year during which the purchaser carried on the activity, and

(2) in respect of a pay period that ended in the particular calendar year, the amount by which the amount determined pursuant to subparagraph 1 exceeds the amount of the particular aggregate.

#### Interpretation.

In the formulas in subparagraphs *a* and *b* of the first paragraph,

(*a*) A is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the vendor's base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business;

(*b*) B is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the particular corporation for the year in respect of a recognized business, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business;

(*c*) C is the proportion that the number of the vendor's employees referred to in subparagraph *a* or *b*, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(*d*) D is,

i. if this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year and the vendor's business referred to in the first paragraph is a business carried on on a seasonal basis, the proportion that the number of days in the particular calendar year that are included in the period during which such a business is ordinarily carried on on a seasonal basis

and that follow the particular time is of the number of days in that period,

ii. if this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year and the vendor's business referred to in the first paragraph is not a business carried on on a seasonal basis, the proportion that the number of days in the particular calendar year that follow the particular time is of 365, and

iii. in any other case, 1.

**Amount of the particular aggregate.**

For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and that is referred to in subparagraph 2 of subparagraphs i and i.1 of subparagraph c of the first paragraph, in the case where the purchaser is the particular corporation, or in subparagraph 1 of subparagraphs i and ii of subparagraph d of the first paragraph, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.

**Business carried on on a seasonal basis.**

Subject to the third paragraph and for the purposes of this section, if the vendor's business referred to in the first paragraph is a business carried on on a seasonal basis, the proportion that 365 is of the number of days in the particular calendar year during which the purchaser carried on the activities described in the first paragraph, which proportion is referred to in subparagraph 2 of subparagraphs i and i.1 of subparagraph c of the first paragraph, in the case where the purchaser is the particular corporation, or in subparagraph 1 of subparagraphs i and ii of subparagraph d of the first paragraph, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, is to be replaced,

(a) if the activities described in the first paragraph relate to a recognized business of the vendor, by the proportion that the number of days that are in the vendor's base period and in respect of which the vendor paid a salary or wages to an eligible employee in the course of carrying on the business on a seasonal basis is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis;

(b) if the activities described in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, by the proportion that the number of days that are in the purchaser's base period and in respect of which the vendor paid a salary or wages, in the course of carrying on the business on a seasonal basis, to

an employee who reports for work at an establishment of the vendor situated in Québec and who spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued to the purchaser, for the purposes of this division, for the year in respect of the recognized business is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis; and

(c) if the activities described in the first paragraph relate neither to a recognized business of the vendor nor to a recognized business of the purchaser but relate to a recognized business of another corporation with which the purchaser is associated at the end of the particular calendar year, by the proportion that the number of days that are in the other corporation's base period and in respect of which the vendor paid a salary or wages, in the course of carrying on the business on a seasonal basis, to an employee who reports for work at an establishment of the vendor situated in Québec and who spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued to the other corporation, for the purposes of this division, for the year in respect of the recognized business is of the number of days in the particular calendar year during which the purchaser carried on those activities on a seasonal basis.

History: 2005, c. 23, s. 210; 2006, c. 36, s. 182; 2009, c. 5, s. 449; 2010, c. 25, s. 168; 2017, c. 1, s. 289.

**Decrease in or cessation of activities.**

**1029.8.36.72.82.23.** Subject to sections 1029.8.36.72.82.20 and 1029.8.36.72.82.21, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the "vendor") in relation to a recognized business or a business that could qualify as a recognized business if it were carried on in an eligible region, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in this section referred to as the "purchaser") that is associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply for the purpose of determining the amount that a particular corporation is deemed to have paid to the Minister under this division for the particular taxation year:

(a) if the particular corporation is the vendor,

i. the base amount of the vendor is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$A \times D$ ,

i.1. the amount that would be the vendor's base amount if, for the purposes of the definition of "base amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined by the formula in subparagraph *i* if, for the purposes of subparagraph *i* of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on such an activity were considered,

ii. the eligible amount of the vendor for the particular calendar year is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$B \times D$ , and

iii. the amount that would be the vendor's eligible amount for the particular calendar year if, for the purposes of the definition of "eligible amount" in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of that section were considered, is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount that would be determined under subparagraph *ii* if, for the purposes of subparagraph *i* of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on such an activity were considered;

(*b*) if the particular corporation is a corporation with which the vendor was associated at the end of the particular calendar year, the following rules apply:

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph *ii* of paragraph *c* of section 1029.8.36.72.82.16, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph exceeds the amount determined by the formula

$C \times D$ ,

i.1. the amount that is the aggregate referred to in subparagraph 2 of subparagraph *ii* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph *ii* of paragraph *c* of section 1029.8.36.72.82.16.1, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph *i.1*

exceeds the amount that would be determined by the formula in subparagraph *i* if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13 were considered,

ii. the amount that is the second aggregate mentioned in the portion of subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.16 before subparagraph *i*, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph exceeds the amount that would be determined for the particular calendar year by the formula in subparagraph *i* if subparagraph *c* of the second paragraph were read with "paid by the vendor in respect of a pay period, ended in the particular corporation's base period" replaced by "paid by the vendor, before the particular time, in respect of a pay period that ended in the particular calendar year", and

iii. the amount that is the second aggregate mentioned in the portion of subparagraph *ii* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.16.1 before subparagraph *i*, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph *iii* exceeds the amount that would be determined for the particular calendar year by the formula in subparagraph *i* if subparagraph *c* of the second paragraph were read as if "paid by the vendor in respect of a pay period, ended in the particular corporation's base period" was replaced by "paid by the vendor, before the particular time, in respect of a pay period that ended in the particular calendar year", and if, for the purposes of that subparagraph *c*, only the employees of the vendor who carry on an activity described in any of paragraphs *b* and *d* to *f* of the definition of "eligible region" in the first paragraph of section 1029.8.36.72.82.13 were considered;

(*c*) if the particular corporation is the purchaser, the purchaser is deemed

*i.* to have a base amount equal to the aggregate of

(1) the purchaser's base amount otherwise determined, and

(2) the amount determined by the formula

$A \times D$ ,

i.1. to have an amount that would be the purchaser's base amount if, for the purposes of the definition of "base amount" in the first paragraph of section 1029.8.36.72.82.13,



only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered, equal to the aggregate of

(1) the amount that would be the purchaser’s base amount if, for the purposes of the definition of “base amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in paragraph *b* of the definition of “eligible region” in the first paragraph of that section were considered, otherwise determined, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph *i* if, for the purposes of subparagraph *ii* of subparagraph *a* of the second paragraph, only the employees of the vendor who carry on an activity described in paragraph *b* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13 were considered,

*ii.* to have an eligible amount for the particular calendar year equal to the aggregate of

(1) the purchaser’s eligible amount otherwise determined for the particular calendar year, and

(2) the amount determined by the formula

$B \times D$ , and

*iii.* to have an amount that would be the purchaser’s eligible amount if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of that section were considered, for the particular calendar year, equal to the aggregate of

(1) the amount that would be the purchaser’s eligible amount if, for the purposes of the definition of “eligible amount” in the first paragraph of section 1029.8.36.72.82.13, only the portion of the salary or wages of an employee that may reasonably be attributed to an activity described in paragraph *b* of the definition of “eligible region” in the first paragraph of that section were considered, for the particular calendar year, otherwise determined, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph *ii* if, for the purposes of subparagraph *ii* of subparagraph *b* of the second paragraph, only the employees of the vendor who carry on an activity described in paragraph *b* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13 were considered; and

(*d*) if the particular corporation is a corporation that is associated with the purchaser at the end of the particular calendar year, the following rules apply:

*i.* the amount that is the aggregate referred to in subparagraph 2 of subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph *ii* of paragraph *c* of section 1029.8.36.72.82.16, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph *i*, and

(2) the amount determined by the formula

$C \times D$ ,

*i.1.* the amount that is the aggregate referred to in subparagraph 2 of subparagraph *ii* of subparagraph *a.1* of the first paragraph of section 1029.8.36.72.82.15 or in subparagraph *ii* of paragraph *c* of section 1029.8.36.72.82.16.1, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph *i.1*, and

(2) the amount that would be determined by the formula in subparagraph 2 of subparagraph *i* if, for the purposes of subparagraph *c* of the second paragraph, only the employees of the vendor who carry on an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13 were considered,

*ii.* the amount that is the second aggregate mentioned in the portion of subparagraph *ii* of subparagraph *a* of the first paragraph of section 1029.8.36.72.82.15 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.16 before subparagraph *i*, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph *ii* for the particular calendar year, and

(2) the amount that would be determined for the particular calendar year, in respect of the purchaser, by the formula in subparagraph 2 of subparagraph *i* if subparagraph *c* of the second paragraph were read with “paid by the vendor in respect of a pay period, ended in the particular corporation’s base period” replaced by “paid by the vendor, before the particular time, in respect of a pay period that ended in the particular calendar year”, and

*iii.* the amount that is the second aggregate mentioned in the portion of subparagraph *ii* of subparagraph *a.1* of the first

paragraph of section 1029.8.36.72.82.15 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.82.16.1 before subparagraph *i*, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph *iii* for the particular calendar year, and

(2) the amount that would be determined for the particular calendar year, in respect of the purchaser, by the formula in subparagraph 2 of subparagraph *i* if subparagraph *c* of the second paragraph were read as if “paid by the vendor in respect of a pay period, ended in the particular corporation’s base period” was replaced by “paid by the vendor, before the particular time, in respect of a pay period that ended in the particular calendar year”, and if, for the purposes of that subparagraph *c*, only the employees of the vendor who carry on an activity described in any of paragraphs *b* and *d* to *f* of the definition of “eligible region” in the first paragraph of section 1029.8.36.72.82.13 were considered.

#### Interpretation.

In the formulas in subparagraphs *a* to *d* of the first paragraph,

(a) A is the aggregate of all amounts each of which is,

*i.* for the purposes of subparagraph *i* of subparagraph *a* of the first paragraph, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

*ii.* for the purposes of subparagraph 2 of subparagraph *i* of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the vendor’s base period, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor in respect of a pay period,

ended in the purchaser’s base period, in which the employee reports for work at an establishment of the vendor situated in an eligible region and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

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

*i.* for the purposes of subparagraph *ii* of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business, and

*ii.* for the purposes of subparagraph 2 of subparagraph *ii* of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period, ended in the particular calendar year, for which the employee is an eligible employee, or the salary or wages paid by the vendor to an employee before the particular time in respect of a pay period within the particular calendar year, other than an eligible employee of the vendor for the pay period, if, in that pay period, the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued, for the purposes of this division, to the vendor for the year in respect of a recognized business,

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee paid by the vendor before the particular time in respect of a pay period, ended in the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the

vendor that are described in a qualification certificate issued, for the purposes of this division, to the purchaser for the year in respect of a recognized business, and

(3) *(subparagraph repealed)*;

(c) C is the aggregate of all amounts each of which is the salary or wages of an employee paid by the vendor in respect of a pay period, ended in the particular corporation's base period, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 75% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in a qualification certificate issued to the particular corporation, for the purposes of this division, for the year in respect of a recognized business, unless an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another corporation that carries on a recognized business; and

(d) D is the proportion that the number of the vendor's employees referred to in any of subparagraphs *a* to *c*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time.

History: 2005, c. 23, s. 210; 2006, c. 36, s. 183; 2009, c. 5, s. 450; 2010, c. 25, s. 169; 2011, c. 1, s. 79; 2017, c. 1, s. 290.

#### Associated persons.

**1029.8.36.72.82.24.** For the purposes of sections 1029.8.36.72.82.22 and 1029.8.36.72.82.23, for the purpose of determining whether a vendor and a purchaser are associated with each other at a particular time, if the vendor or purchaser is an individual, other than a trust, the vendor or purchaser is deemed to be a corporation all the voting shares in the capital stock of which are owned at the particular time by the individual.

History: 2005, c. 23, s. 210; 2009, c. 5, s. 451; 2009, c. 15, s. 297; 2015, c. 36, s. 121.

#### Assistance, benefit or advantage deemed nil.

**1029.8.36.72.82.25.** For the purposes of this division, if a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or if a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or fiscal period in which the base period of a particular corporation ends, and if it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph *i* or *iii* of

subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.82.18, the amount of the salaries or wages paid by the particular corporation or a corporation that is associated with the particular corporation, in respect of the base period of the particular corporation, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2005, c. 23, s. 210.

#### Corporations deemed associated.

**1029.8.36.72.82.26.** If it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2005, c. 23, s. 210.

#### DIVISION II.6.6.7

#### CREDIT FOR JOB CREATION IN THE CARREFOURS DE L'INNOVATION

##### §1. — *Definitions and general*

#### Definitions:

**1029.8.36.72.83.** In this division,

“*base amount*”;

“*base amount*” of a corporation, in relation to a particular recognized business, means

(a) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the particular recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *e* of the definition of “*recognized business*”; and

(b) in any other case, the aggregate of all amounts each of which is

i. the salary or wages that were paid by the corporation to an employee in the course of carrying on the particular recognized business, in respect of a pay period, within its base period, in relation to the particular recognized business, for which the employee is an eligible employee, or

ii. the salary or wages of an employee, other than an excluded employee of the corporation, that were paid by the corporation in the course of carrying on any given business

in respect of a pay period, within its base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the corporation situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business”, except if an amount is included, in respect of the employee, in relation to the given business, in computing the base amount of the corporation in relation to another recognized business;

**“base period”;**

“base period” of a corporation, in relation to a recognized business, means the calendar year preceding the calendar year in which the eligibility period of a corporation in relation to the recognized business begins;

**“eligibility period”;**

“eligibility period” of a corporation, in relation to a recognized business, means, subject to the second paragraph, the five-year period that begins on 1 January of the first calendar year, preceding the calendar year 2004, in respect of which the corporation obtains its qualification certificate, in relation to the recognized business;

**“eligible amount”;**

“eligible amount” of a corporation for a calendar year means the aggregate of all amounts each of which is

(a) the salary or wages paid by the corporation to an employee in respect of a pay period, within the year, for which the employee is an eligible employee, in relation to a recognized business of the corporation; or

(b) the salary or wages of an employee, other than an employee referred to in paragraph *a* or an excluded employee of the corporation, that were paid by the corporation in respect of a pay period, within the year, in which the employee reports for work at an establishment of the corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business”;

**“eligible employee”;**

“eligible employee” of a corporation for a pay period of a calendar year, in relation to a recognized business, means an employee, other than an excluded employee at any time in that period, who, in that period, reports for work at an establishment of the employer situated in an eligible site and in respect of whom a qualification certificate, in relation to that period, is issued to the corporation by Investissement Québec for the purposes of this division, in relation to the recognized business;

**“eligible repayment of assistance”;**

“eligible repayment of assistance” for a taxation year of a qualified corporation means the aggregate of

(a) where the qualified corporation pays in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.88 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.84 that relates to a calendar year preceding the calendar year ending in the taxation year, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid by the qualified corporation, in respect of such an amount of assistance, as repayment in the taxation year or a preceding taxation year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.84 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a taxation year preceding the taxation year under this paragraph in relation to a repayment of assistance;

(b) where a corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph *i* of subparagraph *a* of the first paragraph of section 1029.8.36.72.88 that reduced the amount of the salary or wages paid by the corporation to an employee, for the purpose of computing the amount referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.85 that relates to a calendar year preceding the calendar year in relation to the qualified corporation at the end of which the qualified corporation was not associated with any other qualified corporation that was carrying on a recognized business for its taxation year in which the preceding calendar year ended, the amount by which the amount that would have been determined under that subparagraph *a* in respect of the qualified corporation in relation to the preceding calendar year if each of the amounts of assistance paid in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph *a* of the first paragraph of section 1029.8.36.72.85 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance; and

(c) where a qualified corporation pays in a calendar year ending in the taxation year, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of assistance referred to in subparagraph i of subparagraph b of the first paragraph of section 1029.8.36.72.88 that reduced the amount of the salary or wages paid by the qualified corporation to an employee, for the purpose of computing the excess amount referred to in paragraph a or c of section 1029.8.36.72.86 determined, in respect of a calendar year preceding the calendar year, in relation to all of the corporations that were associated with each other at the end of that preceding calendar year and with which the qualified corporation was associated at that time, the amount by which the amount that would have been determined under subparagraph a of the first paragraph of section 1029.8.36.72.85 in respect of the qualified corporation in relation to the preceding calendar year if, for the purposes of paragraph a or c of section 1029.8.36.72.86 in relation to that preceding calendar year, each of the amounts of assistance in respect of the salary or wages had been reduced by any amount paid, in respect of such an amount of assistance, as repayment in the calendar year or a preceding calendar year, and if the amount determined pursuant to section 1029.8.36.72.86 had been attributed to a qualified corporation in the same proportion as that determined in its respect in relation to the preceding calendar year, exceeds the aggregate of

i. the amount determined under subparagraph a of the first paragraph of section 1029.8.36.72.85 in respect of the qualified corporation in relation to the preceding calendar year, and

ii. the aggregate of all amounts determined for a calendar year preceding the calendar year under this paragraph in relation to a repayment of assistance;

**“eligible site”;**

“eligible site” means

(a) a site situated in the territory of Ville de Montréal and determined by the Minister of Finance to be part of the territory of the Technoparc Saint-Laurent;

(b) a site situated in the territory of Ville de Montréal and determined by the Minister of Finance to be the Angus Technopole; or

(c) a site situated in the territory of Ville de Québec and determined by the Minister of Finance to be the Québec Metro High Tech Park;

**“excluded employee”;**

“excluded employee” at a particular time means an employee of a corporation who, at that time, is

(a) a specified shareholder of the corporation or, where the corporation is a cooperative, a specified member of the corporation; or

(b) a specified employee within the meaning of the first paragraph of section 1029.8.36.0.17;

**“qualified corporation”;**

“qualified corporation”, for a calendar year, means a corporation that, in the year, carries on a qualified business in Québec and has an establishment in Québec, but does not include

(a) a corporation that is exempt from tax under Book VIII for the taxation year in which the calendar year ends;

(b) a corporation that would be exempt from tax for the taxation year in which the calendar year ends under section 985 but for section 192; or

(c) a corporation control of which is acquired at any time in the calendar year or a preceding calendar year, but after 11 June 2003, by a person or group of persons, unless the acquisition of control

i. occurs before 1 July 2004 and Investissement Québec certifies that it results from a transaction that was sufficiently advanced on 11 June 2003 and was binding on the parties on that date,

ii. is by a corporation carrying on at that time a recognized business, by a person or group of persons that controls such a corporation, or by a group of persons each member of which is such a corporation or a person who, alone or together with other members of the group, controls such a corporation,

iii. derives from the exercise after 11 June 2003 of one or more rights described in paragraph b of section 20 that were acquired before 12 June 2003, or

iv. derives from the performance after 11 June 2003 of one or more obligations described in the third paragraph of section 21.3.5 that were contracted before 12 June 2003;

**“recognized business”;**

“recognized business” of a corporation for a taxation year means a business carried on by the corporation in the year and in respect of which a qualification certificate is issued by Investissement Québec for the purposes of this division certifying that its activities are

(a) activities relating to information and communications technologies;

(b) activities relating to production technologies;

(c) activities relating to biotechnologies;

(d) activities relating to materials technologies; or

(e) activities relating to scientific and technological services;

**“salary or wages”;**

“salary or wages” means the income computed pursuant to Chapters I and II of Title II of Book III, but does not include directors’ fees, premiums, incentive bonuses, compensation for hours worked in addition to normal working hours, commissions or benefits referred to in Division II of Chapter II of Title II of Book III;

**“specified member”.**

“specified member” of a corporation that is a cooperative, in a taxation year, means a member having, directly or indirectly, at any time in the year, at least 10% of the votes at a meeting of the members of the cooperative.

**Continuation of a business.**

Except where section 1029.8.36.72.90 or 1029.8.36.72.91 applies, where, in a taxation year, a corporation carries on a business in respect of which a qualification certificate has been issued by Investissement Québec, and the business, according to Investissement Québec, is the continuation of a recognized business or part of a recognized business previously carried on by another corporation, the eligibility period of the corporation, in relation to the recognized business, is deemed, for the purposes of the definition of “eligibility period” in the first paragraph, to have begun on the date on which the eligibility period of the other corporation began, in relation to the recognized business.

**Employee’s work reporting location.**

For the purposes of this division,

(a) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in an eligible site and at an establishment of the qualified corporation situated outside the site, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in the eligible site, or

ii. to report for work only at the establishment situated outside the site if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside the site;

(b) where, during a pay period within a calendar year, an employee reports for work at an establishment of a qualified corporation situated in Québec and at an establishment of the qualified corporation situated outside Québec, the employee is, for that period, deemed

i. except if subparagraph ii applies, to report for work only at the establishment situated in Québec, or

ii. to report for work only at the establishment situated outside Québec if, during that period, the employee reports for work mainly at an establishment of the qualified corporation situated outside Québec; and

(c) where, during a pay period within a calendar year, an employee is not required to report for work at an establishment of a qualified corporation and the employee’s salary or wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

**Reference to a calendar year.**

For the purposes of this division, a reference to a calendar year ending in a taxation year includes a reference to a calendar year ending coincidentally with that taxation year.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 413; 2005, c. 23, s. 211; 2006, c. 13, s. 166; 2006, c. 36, s. 184.

**§2. — Credits****Credit.**

**1029.8.36.72.84.** A qualified corporation that is not associated with any other corporation at the end of a calendar year within the qualified corporation’s eligibility period, in relation to a recognized business, and that encloses the documents referred to in the third paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) the lesser of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in respect of a pay period, within its base period, in relation to the recognized business, for which the employee is an eligible employee, and

ii. the amount by which the qualified corporation’s eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation’s base amount in relation to a recognized business that the corporation carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

**Computation of payments.**

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

**Documents to be filed.**

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information; and

(b) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business and its eligible employees.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 414; 2005, c. 38, s. 273.

**Credit in the case of associated corporations.**

**1029.8.36.72.85.** A qualified corporation that is associated with one or more other corporations at the end of a calendar year within the qualified corporation's eligibility period, in relation to a recognized business, and that encloses the documents referred to in the fourth paragraph with the fiscal return the qualified corporation is required to file under section 1000 for the taxation year in which the calendar year ends, is deemed, subject to the third paragraph, to have paid to the Minister on the qualified corporation's balance-due day for that taxation year, on account of its tax payable for that taxation year under this Part, an amount equal to 40% of the aggregate of

(a) subject to the second paragraph, the least of

i. the amount by which the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee, in relation to a recognized business, exceeds the aggregate of all amounts each of which is, in relation to a recognized business,

(1) except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in its base period in relation to the recognized business, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, and

(2) in any other case, the aggregate of all amounts each of which is the salary or wages paid by the corporation to an employee in respect of a pay period, within its base period, in relation to a recognized business, for which the employee is an eligible employee,

ii. the amount by which the aggregate of all amounts each of which is the qualified corporation's eligible amount for the calendar year or the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of the calendar year to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, exceeds the total of

(1) the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business that the qualified corporation carries on in the calendar year, and

(2) the aggregate of all amounts each of which is the salary or wages paid by another corporation with which the qualified corporation is associated at the end of that calendar year to an employee in respect of a pay period, within the qualified corporation's base period in relation to a recognized business it carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in relation to the other corporation, in computing an amount determined for the

calendar year under this subparagraph 2 in relation to another recognized business, and

iii. the amount by which the qualified corporation's eligible amount for the calendar year exceeds the aggregate of all amounts each of which is the qualified corporation's base amount in relation to a recognized business that the qualified corporation carries on in the calendar year; and

(b) the eligible repayment of assistance of the qualified corporation for the taxation year.

#### Restriction.

Where the qualified corporation referred to in the first paragraph is associated, at the end of the calendar year, with at least one other qualified corporation carrying on a recognized business in the taxation year in which the calendar year ends, the amount determined under subparagraph *a* of that first paragraph, in respect of the calendar year, shall not exceed the amount that is attributed to it in respect of the calendar year pursuant to the agreement referred to in section 1029.8.36.72.86.

#### Computation of payments.

For the purpose of computing the payments that a qualified corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1145, 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the qualified corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable under this Part, for a particular taxation year that is subsequent to the first taxation year in which the first calendar year within the qualified corporation's eligibility period ends in relation to a recognized business, and of its tax payable for that particular taxation year under Parts IV, IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the particular amount that is the lesser of the amount determined under the first paragraph for the taxation year preceding the particular taxation year and the amount determined under that paragraph for the particular taxation year exceeds the aggregate of all amounts each of which is the portion of the particular amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the particular taxation year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under this division, to have been paid to the Minister on that date, for the purpose of computing that payment.

#### Documents to be filed.

The documents to which the first paragraph refers are the following:

(a) the prescribed form containing the prescribed information;

(b) a copy of the unrevoked certificate and qualification certificates issued to the qualified corporation in respect of a recognized business and its eligible employees; and

(c) where the second paragraph applies, the agreement referred to in section 1029.8.36.72.86 filed in prescribed form.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 415; 2005, c. 38, s. 274; 2006, c. 36, s. 185.

#### Agreement on attribution.

**1029.8.36.72.86.** The agreement to which the second paragraph of section 1029.8.36.72.85 refers in respect of a calendar year means an agreement under which all of the qualified corporations carrying on, in the calendar year, a recognized business and that are associated with each other at the end of that calendar year, hereinafter called the "group of associated corporations", attribute to one or more of their number, for the purposes of this division, one or more amounts; the aggregate of the amounts so attributed, for the calendar year, shall not be greater than the least of

(a) the amount by which the aggregate of all amounts each of which is the salary or wages paid by a qualified corporation that is a member of the group of associated corporations to an employee in respect of a pay period, within the calendar year, for which the employee is an eligible employee of the corporation, in relation to a recognized business, exceeds the aggregate of all amounts each of which is

i. except in respect of a corporation that results from an amalgamation, an amount equal to zero, where, at no time in the base period of a qualified corporation that is a member of the group of associated corporations in relation to a recognized business that the corporation carries on in the calendar year, the corporation carried on a business in Québec in the sectors of activity described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, and

ii. in any other case, the aggregate of all amounts each of which is the salary or wages paid by the qualified corporation to an employee in respect of a pay period, within its base period, in relation to a recognized business, for which the employee is an eligible employee of the qualified corporation;

(b) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that



is a member of the group of associated corporations for the calendar year exceeds the aggregate of all amounts each of which is the base amount of such a corporation in relation to a recognized business that the corporation carries on in the calendar year; and

(c) the amount by which the aggregate of all amounts each of which is the eligible amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, or the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a qualified corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, exceeds the total of

i. the aggregate of all amounts each of which is the base amount of a qualified corporation that is a member of the group of associated corporations at the end of the calendar year, in relation to a recognized business that the corporation carries on in the calendar year, and

ii. the aggregate of all amounts each of which is the salary or wages paid by another qualified corporation that is associated with a corporation that is a member of the group at the end of the calendar year but that does not carry on a recognized business in the calendar year, to an employee in respect of a pay period, within the base period of a qualified corporation that is a member of the group at the end of the calendar year in relation to a recognized business that the corporation carries on in the calendar year, in which the employee reports for work at an establishment of the other corporation situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the other corporation that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in computing an amount under this subparagraph, in relation to a period within a base period in relation to another recognized business that is carried on by a qualified corporation that is a member of the group of associated corporations.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 416; 2006, c. 36, s. 186; 2009, c. 5, s. 452.

#### Deemed attribution.

**1029.8.36.72.87.** Where the aggregate of the amounts attributed, in respect of a calendar year, in an agreement entered into with the qualified corporations carrying on, in

that calendar year, a recognized business and that are associated with each other at the end of that calendar year exceeds the particular amount that is the least of the amounts determined for that calendar year in respect of those corporations under any of paragraphs *a* to *c* of section 1029.8.36.72.86, the amount attributed to each of the corporations for the calendar year is deemed, for the purposes of section 1029.8.36.72.85, to be equal to the proportion of the particular amount that the amount attributed for the calendar year to that corporation in the agreement is of the aggregate of all amounts attributed for the calendar year in the agreement.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 417.

#### §3. — *Government assistance, non-government assistance, contract payments and other particulars*

##### Reduction of expenditure.

**1029.8.36.72.88.** For the purpose of computing the amount that is deemed to have been paid to the Minister by a qualified corporation, for a particular taxation year, under section 1029.8.36.72.84 or 1029.8.36.72.85, the following rules apply, subject to the second paragraph:

(a) the amount of the salaries or wages referred to in the definitions of “base amount” and “eligible amount” in the first paragraph of section 1029.8.36.72.83 and those referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84 or in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 and paid by the qualified corporation, and the amount of the salaries or wages referred to in subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 and paid by a corporation associated with the qualified corporation shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the qualified corporation or the corporation associated with it, as the case may be, has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the qualified corporation or the corporation associated with it, as the case may be, is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the

form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the qualified corporation or the corporation associated with it, as the case may be; and

(b) the amount of the salaries or wages paid by a particular qualified corporation associated with one or more other qualified corporations, determined for the purpose of computing the amount that may be attributed, in respect of a calendar year, in accordance with section 1029.8.36.72.86 to one or more of their number, shall be reduced, where applicable,

i. by the amount of any contract payment, government assistance or non-government assistance attributable to the salaries or wages that the particular qualified corporation has received, is entitled to receive or may reasonably expect to receive, on or before its filing-due date for its taxation year, except any amount of government assistance that is an amount that the particular qualified corporation is deemed to have paid to the Minister under this chapter for any taxation year,

ii. by the portion of such salaries or wages that may reasonably be considered to be included in computing an expenditure in respect of which the particular qualified corporation is deemed to have paid an amount to the Minister under this chapter for any taxation year, and

iii. by the amount of any benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, other than a benefit or advantage derived from the performance of the duties of an eligible employee, that a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain, on or before the particular qualified corporation's filing-due date for its taxation year, to the extent that the benefit or advantage may reasonably be considered to be attributable, directly or indirectly, to part or all of the amount of the salaries or wages, other than those referred to in subparagraph ii, paid by the particular qualified corporation.

#### Restriction.

The aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or a corporation associated with it in respect of a pay period, within the qualified

corporation's base period, in relation to a recognized business, shall not exceed, for each of those corporations, the aggregate of the amounts referred to in the first paragraph that reduced the amount of the salaries or wages paid by the qualified corporation or the corporation associated with it, in relation to the recognized business, in respect of a pay period within the calendar year ending in its particular taxation year.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 418; 2006, c. 13, s. 168.

#### Deemed repayment of assistance.

**1029.8.36.72.89.** For the purposes of this division, an amount of assistance is deemed to be repaid in a calendar year by a qualified corporation, pursuant to a legal obligation, where that amount

(a) reduced the amount of salaries or wages for the purpose of computing,

i. in the case of assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.72.88, the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under subparagraph *a* of the first paragraph of section 1029.8.36.72.84 or 1029.8.36.72.85, or

ii. in the case of assistance referred to in subparagraph *b* of the first paragraph of section 1029.8.36.72.88, the excess amount referred to in paragraph *a* or *c* of section 1029.8.36.72.86 determined, in respect of a calendar year, in relation to all of the qualified corporations that are associated with each other;

(b) was not received by the qualified corporation; and

(c) ceased in the calendar year to be an amount that the qualified corporation may reasonably expect to receive.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 419.

#### Rules applicable in cases of amalgamation.

**1029.8.36.72.90.** Where a corporation, in this section referred to as the "new corporation", resulting from the amalgamation, within the meaning of section 544, of two or more corporations, each of which is referred to in this section as a "predecessor corporation", carries on after the amalgamation a business carried on before the amalgamation by a predecessor corporation, the new corporation and the predecessor corporation are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the taxation year in which the calendar year in which the amalgamation occurred ends and for a subsequent taxation year, to be the same corporation throughout the period during which the predecessor corporation carried on, or is deemed to have carried on under this division, the business.

**Consolidation of businesses.**

In addition, for the purposes of this division, where the new corporation carries on after the amalgamation a recognized business resulting from the consolidation of recognized businesses carried on by predecessor corporations, immediately before the amalgamation, each recognized business so carried on before the amalgamation is deemed to be a separate recognized business carried on by the new corporation after the amalgamation.

History: 2003, c. 9, s. 323.

**Rules applicable if a subsidiary is wound-up.**

**1029.8.36.72.91.** If, after the beginning of the winding-up of a subsidiary, within the meaning of section 556, to which the rules in sections 556 to 564.1 and 565 apply, the parent corporation, within the meaning of section 556, begins to carry on a recognized business the subsidiary was carrying on before the beginning of its winding-up, the parent corporation and the subsidiary are deemed, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for its taxation year in which ends the calendar year in which the winding-up began and for a subsequent taxation year, to be the same corporation throughout the period during which the subsidiary carried on, or is deemed to have carried on under this division, the business.

**Consolidation of businesses.**

In addition, for the purposes of this division, if the parent corporation carried on after the beginning of the winding-up a recognized business resulting from the consolidation of a recognized business carried on by the parent corporation immediately before the beginning of the winding-up and a recognized business carried on by the subsidiary immediately before the beginning of the winding-up, each recognized business so carried on before the beginning of the winding-up is deemed to be a separate recognized business carried on by the parent corporation after the beginning of the winding-up.

History: 2003, c. 9, s. 323; 2005, c. 23, s. 212.

**Decrease in or cessation of activities.**

**1029.8.36.72.92.** Subject to sections 1029.8.36.72.90 and 1029.8.36.72.91, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the “vendor”), in relation to a recognized business or a business the activities of which are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in this section referred to as the “purchaser”) that is not associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities

in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply, subject to the fourth and fifth paragraphs, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the particular taxation year, in relation to a particular recognized business:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period, in relation to the particular recognized business, for which the employee is an eligible employee, is deemed to be equal to the amount by which the amount otherwise determined exceeds the amount determined by the formula

$$A \times D \times E, \text{ and}$$

ii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which the amount otherwise determined, without reference to subparagraph i, exceeds the amount determined by the formula

$$B \times D \times E;$$

(b) if the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year, the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.86, determined in respect of the vendor, is deemed to be equal to the amount by which the amount determined without reference to this subparagraph exceeds the amount determined by the formula

$$C \times D \times E;$$

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid in respect of the purchaser’s base period, in relation to the particular recognized business, to employees referred to in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84, in subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or in subparagraph ii of paragraph *a* of section 1029.8.36.72.86, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the “particular aggregate”, of all amounts each of which is the salary or wages paid by the purchaser to an employee in respect of a pay period within the particular calendar year for which the employee is an eligible employee, in relation to the

particular recognized business, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities,

ii. to have paid to employees in respect of a pay period within the particular calendar year for which the employees are eligible employees, in relation to the particular recognized business, the amount by which the amount determined pursuant to subparagraph i, in relation to the particular recognized business, exceeds the amount of the particular aggregate determined in relation to the particular recognized business,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount otherwise determined without reference to subparagraph i, in relation to the particular recognized business, and

(2) the amount that is the proportion of the aggregate, in subparagraph 2 of subparagraph iv referred to as the "particular aggregate", of all amounts each of which is the salary or wages paid by the purchaser to an employee after the particular time in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the purchaser, that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time, that 365 is of the number of days in the particular calendar year in which the purchaser carried on those activities, except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph 2, in relation to another recognized business, and

iv. to have an eligible amount for the particular calendar year, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's eligible amount for the particular calendar year otherwise determined without reference to subparagraph ii, in relation to the particular recognized business, and

(2) the amount by which the amount determined pursuant to subparagraph 2 of subparagraph iii, in relation to the particular recognized business, exceeds the amount of the particular aggregate, in relation to the particular recognized business; and

(d) if the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year, the purchaser is deemed to have paid

i. in respect of the base period, in relation to the particular recognized business, the amount that is the proportion of the aggregate, in subparagraph ii referred to as the "particular aggregate", of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the purchaser, that the purchaser paid after the particular time in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the purchaser situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting, in the course of the business, work that is directly related to activities of the purchaser that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, to the extent that the salary or wages may reasonably be considered to relate to the carrying on by the employee of the part of the activities that began or increased at the particular time and except if an amount is included, in respect of the employee, in relation to the purchaser, in computing an amount determined under this subparagraph, in relation to another recognized business, that 365 is of the number of days in the particular calendar year during which the purchaser carried on those activities, and

ii. in respect of the particular calendar year, the amount by which the amount determined in accordance with subparagraph i, in relation to the particular recognized business, exceeds the particular aggregate, in relation to the particular recognized business.

#### **Interpretation.**

In the formulas provided for in subparagraphs *a* and *b* of the first paragraph,

(a) A is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, for which the employee is an eligible employee;

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

i. the salary or wages paid by the vendor to an employee in the course of carrying on the particular recognized business, in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, for which the employee is an eligible employee, or

ii. the salary or wages of an employee, other than an excluded employee of the vendor, that the vendor paid in the course of carrying on any business in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83;

(c) *C* is the aggregate of all amounts each of which is the salary or wages of an employee, other than an excluded employee of the vendor, that the vendor paid in respect of a pay period, within the vendor's base period, in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, except if an amount is included, in respect of the employee, in relation to the vendor, in computing an amount determined under this subparagraph, in relation to another recognized business;

(d) *D* is the proportion that the number of the vendor's employees referred to in any of subparagraphs *a* to *c*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor's employees assigned to those activities immediately before the particular time; and

(e) *E* is, where this section applies for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division in respect of the particular calendar year, the proportion that the number of days in the particular calendar year following the particular time is of 365, and, in any other case, 1.

#### **Amount of the particular aggregate.**

For the purposes of this section, if the amount of the particular aggregate that is determined in respect of the purchaser in relation to particular activities and to which subparagraph *i* of subparagraph *c* of the first paragraph and subparagraph 2 of subparagraph *iii* of that subparagraph *c*, in the case where the purchaser is the particular corporation, or subparagraph *i* of subparagraph *d* of the first paragraph, in the case where the purchaser is associated with the particular corporation at the end of the particular calendar year, refer, is equal to zero, the particular time of the particular calendar year, otherwise determined, is deemed, in respect of the purchaser and in relation to the particular activities, to be 1 January of the following calendar year.

#### **Exception.**

Where a particular corporation is, at any time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to all of those activities, this section does not apply to the particular corporation either as vendor or as purchaser in respect of the activities and, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed to have paid, from that time to the subsequent time, no portion of the salaries or wages that may reasonably be considered to relate to the employees of the corporation assigned to the carrying on of the activities that ceased after the subsequent time.

#### **Exception.**

Where a particular corporation is, at a particular time in a calendar year, a purchaser in relation to activities carried on by a person or partnership and, at a subsequent time in the same calendar year, the particular corporation is a vendor in relation to part of those activities, for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division, the particular corporation is deemed not to have paid to its employees the portion of the salaries or wages that may reasonably be considered to have been paid to the employees of the corporation assigned to the part of the activities that the particular corporation ceases to carry on after the subsequent time.

History: 2003, c. 9, s. 323; 2004, c. 21, s. 420; 2005, c. 23, s. 213; 2006, c. 36, s. 187; 2007, c. 12, s. 191; 2009, c. 5, s. 453.

#### **Decrease in or cessation of activities.**

**1029.8.36.72.92.1.** Subject to sections 1029.8.36.72.90 and 1029.8.36.72.91, if, at a particular time in a particular calendar year that ends in a particular taxation year or in a preceding taxation year, the activities carried on by a person or partnership (in this section referred to as the "vendor") in relation to a recognized business or a business the activities of which are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, diminish or cease and it may reasonably be considered that, as a result, another person or partnership (in this section referred to as the "purchaser") that is associated with the vendor at the particular time, begins, after the particular time, to carry on similar activities in the course of carrying on such a business, or increases, after the particular time, the scope of similar activities carried on in the course of carrying on such a business, the following rules apply for the purpose of determining the amount that a corporation is deemed to have paid to the Minister under this division for the particular taxation year, in relation to a particular recognized business:

(a) if the particular recognized business is a business of the vendor,

i. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period in relation to the particular recognized business, for which the employee is an eligible employee, is deemed, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84, subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 and subparagraph ii of paragraph *a* of section 1029.8.36.72.86, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$A \times G$ ,

ii. the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, in relation to the particular recognized business, is deemed, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 and paragraph *a* of section 1029.8.36.72.86, to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$B \times G$ ,

iii. the base amount of the vendor, in relation to the particular recognized business, is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$C \times G$ , and

iv. the eligible amount of the vendor for the particular calendar year is deemed to be equal to the amount by which that amount otherwise determined exceeds the amount determined by the formula

$D \times G$ ;

(b) if the particular recognized business is a business of a corporation that is associated with the vendor at the end of the particular calendar year,

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.86, determined in respect of the vendor, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph i exceeds the amount determined by the formula

$E \times G$ , and

ii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.86 before subparagraph i, determined in respect of the vendor for the particular calendar year, is deemed to be equal to the amount by which that amount determined without reference to this subparagraph ii exceeds the amount determined by the formula

$F \times G$ ;

(c) if the particular recognized business is a business of the purchaser, the purchaser is deemed

i. to have paid, for the purposes of subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84, subparagraph 2 of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or subparagraph ii of paragraph *a* of section 1029.8.36.72.86, as the case may be, to employees, in respect of a pay period, within the purchaser's base period in relation to the particular recognized business, for which the employees are eligible employees, the amount determined by the formula

$A \times G$ ,

ii. to have paid, for the purposes of subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.84, subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or paragraph *a* of section 1029.8.36.72.86, as the case may be, to employees, in respect of a pay period, within the particular calendar year, for which the employees are eligible employees, in relation to the particular recognized business, the amount determined by the formula

$B \times G$ ,

iii. to have a base amount, in relation to the particular recognized business, equal to the aggregate of

(1) the purchaser's base amount otherwise determined, in relation to the particular recognized business, and

(2) the amount determined by the formula

$C \times G$ , and

iv. to have an eligible amount for the particular calendar year equal to the aggregate of

(1) the purchaser's eligible amount otherwise determined for the particular calendar year, and

(2) the amount determined by the formula

D × G; and

(d) if the particular recognized business is a business of a corporation that is associated with the purchaser at the end of the particular calendar year,

i. the amount that is the aggregate referred to in subparagraph 2 of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 or in subparagraph ii of paragraph *c* of section 1029.8.36.72.86, determined in respect of the purchaser, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph i, and

(2) the amount determined by the formula

E × G, and

ii. the amount that is the second aggregate mentioned in the portion of subparagraph ii of subparagraph *a* of the first paragraph of section 1029.8.36.72.85 before subparagraph 1 or in the portion of paragraph *c* of section 1029.8.36.72.86 before subparagraph i, determined in respect of the purchaser for the particular calendar year, is deemed to be equal to the aggregate of

(1) the amount of that aggregate determined without reference to this subparagraph ii for the particular calendar year, and

(2) the amount determined by the formula

F × G.

**Interpretation.**

In the formulas in subparagraphs *a* to *d* of the first paragraph,

(a) A is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph i of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period in relation to the particular recognized business, for which the employee is an eligible employee, and

ii. for the purposes of subparagraph i of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor's base period in relation to the recognized business, for which the employee is an eligible employee, and

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a

recognized business of the purchaser, the salary or wages paid by the vendor to an employee, other than an excluded employee of the vendor, in respect of a pay period, within the purchaser's base period in relation to the recognized business, in which the employee reports for work at an establishment of the vendor situated in an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83, unless an amount is included, in respect of the employee, in computing an amount determined under this subparagraph ii in relation to another recognized business;

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

i. for the purposes of subparagraph ii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee in relation to the particular recognized business, and

ii. for the purposes of subparagraph ii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee in relation to the recognized business, and

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages paid by the vendor to an employee, other than an excluded employee of the vendor, in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of "recognized business" in the first paragraph of section 1029.8.36.72.83;

(c) C is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph iii of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to an employee in the course of carrying on the particular recognized business, in respect of a pay period, within the vendor's base period in relation to the particular recognized business, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in the course of carrying on any given business in respect of a pay period, within the vendor's base period in relation to the particular

recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, unless an amount is included, in respect of the employee, in relation to the given business, in computing an amount determined under this subparagraph i in relation to another recognized business, and

ii. for the purposes of subparagraph 2 of subparagraph iii of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in the course of carrying on the recognized business, in respect of a pay period, within the vendor’s base period in relation to the recognized business, for which the employee is an eligible employee, or the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in the course of carrying on any given business in respect of a pay period, within the vendor’s base period in relation to the recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec but outside an eligible site and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, unless an amount is included, in respect of the employee, in relation to the given business, in computing an amount determined under this subparagraph ii in relation to another recognized business, and

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in the course of carrying on any given business in respect of a pay period, within the purchaser’s base period in relation to the recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, unless an amount is included, in respect of the employee, in relation to the given business, in computing an amount determined under this subparagraph ii in relation to another recognized business;

(*d*) *D* is the aggregate of all amounts each of which is,

i. for the purposes of subparagraph iv of subparagraph *a* of the first paragraph, the salary or wages paid by the vendor to

an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, in relation to the particular recognized business, or the salary or wages of an employee, other than an eligible employee of the vendor, in relation to the particular recognized business, or other than an excluded employee of the vendor, paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, and

ii. for the purposes of subparagraph 2 of subparagraph iv of subparagraph *c* of the first paragraph,

(1) if the activities referred to in the first paragraph relate to a recognized business of the vendor, the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, for which the employee is an eligible employee, in relation to the recognized business, or the salary or wages of an employee, other than an eligible employee of the vendor, in relation to the recognized business, or other than an excluded employee of the vendor, paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, and

(2) if the activities referred to in the first paragraph do not relate to a recognized business of the vendor but relate to a recognized business of the purchaser, the salary or wages of an employee, other than an excluded employee of the vendor, paid by the vendor in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83;

(*e*) *E* is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the vendor’s base period in relation to the particular recognized business, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83, unless an amount is included, in respect of the employee, in relation to



the vendor, in computing an amount determined for the particular calendar year under this subparagraph, in relation to another recognized business;

(f) F is the aggregate of all amounts each of which is the salary or wages paid by the vendor to an employee in respect of a pay period, within the particular calendar year, in which the employee reports for work at an establishment of the vendor situated in Québec and spends, when at work, at least 90% of the time in undertaking, supervising or supporting work that is directly related to activities of the vendor that are described in any of paragraphs *a* to *e* of the definition of “recognized business” in the first paragraph of section 1029.8.36.72.83; and

(g) G is the proportion that the number of the vendor’s employees referred to in any of subparagraphs *a* to *f*, as the case may be, who were assigned to the carrying on of part of the activities that diminished or ceased at the particular time is of the number of the vendor’s employees assigned to those activities immediately before the particular time.

History: 2009, c. 5, s. 454.

#### Associated persons.

**1029.8.36.72.92.2.** For the purposes of sections 1029.8.36.72.92 and 1029.8.36.72.92.1, to determine whether a vendor and a purchaser are associated with each other at a particular time, the following rules apply:

(a) if the vendor or purchaser is an individual (other than a trust), the vendor or purchaser is deemed to be a corporation all the voting shares in the capital stock of which are owned at the particular time by the individual;

(b) if the vendor or purchaser is a partnership, the vendor or purchaser is deemed to be a corporation whose taxation year corresponds to its fiscal period and all the voting shares in the capital stock of which are owned at the particular time by each member of the partnership in a proportion equal to the agreed proportion in respect of the member for the partnership’s fiscal period that includes the particular time; and

(c) if the vendor or purchaser is a trust, the vendor or purchaser is deemed to be a corporation all the voting shares in the capital stock of which

i. in the case of a testamentary trust under which one or more beneficiaries are entitled to receive all of the income of the trust that arose before the date of death of one or the last surviving of those beneficiaries (in this paragraph referred to as the “distribution date”), and under which no other person can, before the distribution date, receive or otherwise obtain the enjoyment of any of the income or capital of the trust,

(1) if such a beneficiary’s share of the income or capital of the trust depends on the exercise by any person of, or the

failure by any person to exercise, a power to appoint, and if the particular time occurs before the distribution date, are owned at that time by the beneficiary, or

(2) if subparagraph 1 does not apply and the particular time occurs before the distribution date, are owned at that time by such a beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of the beneficial interests in the trust of all the beneficiaries,

ii. if a beneficiary’s share of the accumulating income or capital of the trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, are owned at the particular time by the beneficiary, unless subparagraph i applies and that time occurs before the distribution date,

iii. in any case where subparagraph ii does not apply, are owned at the particular time by the beneficiary in a proportion equal to the proportion that the fair market value of the beneficial interest in the trust of the beneficiary is of the fair market value of all beneficial interests in the trust, unless subparagraph i applies and that time occurs before the distribution date, and

iv. in the case of a trust referred to in section 467, are owned at the particular time by the person referred to in that section from whom property of the trust or property for which it was substituted was directly or indirectly received.

History: 2009, c. 5, s. 454; 2009, c. 15, s. 298.

#### Assistance, benefit or advantage deemed nil.

**1029.8.36.72.93.** For the purposes of this division, where a corporation has received, is entitled to receive or may reasonably expect to receive non-government assistance, or where a person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, whether in the form of a reimbursement, compensation, guarantee, in the form of proceeds of disposition of property which exceed the fair market value of the property, or in any other form or manner, in respect of a taxation year or a fiscal period in which the base period of a particular corporation ends in relation to a recognized business carried on by the particular corporation and where it may reasonably be considered that the main reason for the assistance or the benefit or advantage is to reduce, in accordance with subparagraph i or iii of subparagraph *a* or *b* of the first paragraph of section 1029.8.36.72.88, as the case may be, the amount of the salaries or wages paid by the particular corporation or a corporation that is associated with the particular corporation, in respect of the base period, in relation to the recognized business, so as to cause the particular corporation to be deemed to have paid an amount to the Minister under this division for a taxation year or to increase an amount that the particular corporation is deemed to have paid to the Minister under this division for a taxation year, the amount of the

assistance or of the benefit or advantage is deemed to be equal to zero.

History: 2003, c. 9, s. 323.

#### Corporation deemed associated.

**1029.8.36.72.94.** Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a calendar year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division in respect of that year or to increase an amount that a qualified corporation is deemed to have paid to the Minister under this division in respect of that year, those corporations are deemed, for the purposes of this division, to be associated with each other at the end of the year.

History: 2003, c. 9, s. 323.

#### DIVISION II.6.7

*(Repealed).*

§1. — *(Repealed).*

#### **1029.8.36.73.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 5, s. 266; 2000, c. 39, s. 182; 2001, c. 7, s. 169; 2001, c. 51, s. 228; 2002, c. 9, s. 99; 2003, c. 2, s. 271; 2003, c. 9, s. 324.

#### **1029.8.36.74.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

#### **1029.8.36.75.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

§2. — *(Repealed).*

#### **1029.8.36.76.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 2, s. 272; 2003, c. 9, s. 324.

#### **1029.8.36.77.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 2, s. 273; 2003, c. 9, s. 324.

#### **1029.8.36.78.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 2, s. 274; 2003, c. 9, s. 324.

#### **1029.8.36.79.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 2, s. 275; 2003, c. 9, s. 324.

#### **1029.8.36.80.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

#### **1029.8.36.81.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

#### **1029.8.36.82.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

§3. — *(Repealed).*

#### **1029.8.36.83.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 183; 2002, c. 9, s. 100; 2003, c. 9, s. 324.

#### **1029.8.36.84.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

#### **1029.8.36.85.** *(Repealed).*

History: 1999, c. 83, s. 218; 2003, c. 9, s. 324.

#### **1029.8.36.86.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 184; 2003, c. 9, s. 324.

#### **1029.8.36.87.** *(Repealed).*

History: 1999, c. 83, s. 218; 2002, c. 9, s. 101.

#### **1029.8.36.88.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 185.

#### DIVISION II.6.8

*(Repealed).*

§1. — *(Repealed).*

#### **1029.8.36.89.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 5, s. 267; 2000, c. 39, s. 186; 2001, c. 7, s. 169; 2001, c. 51, s. 183; 2002, c. 9, s. 102; 2005, c. 1, s. 246; 2012, c. 8, s. 228.

#### **1029.8.36.89.1.** *(Repealed).*

History: 2001, c. 51, s. 184; 2005, c. 23, s. 214; 2012, c. 8, s. 228.

#### **1029.8.36.89.2.** *(Repealed).*

History: 2001, c. 51, s. 184; 2012, c. 8, s. 228.

§2. — *(Repealed).*

#### **1029.8.36.90.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 264; 2001, c. 51, s. 185; 2003, c. 9, s. 325; 2012, c. 8, s. 228.

#### **1029.8.36.90.1.** *(Repealed).*

History: 2000, c. 39, s. 187; 2012, c. 8, s. 228.

#### **1029.8.36.90.2.** *(Repealed).*

History: 2001, c. 51, s. 186; 2012, c. 8, s. 228.

**1029.8.36.90.3.** *(Repealed).*

History: 2001, c. 51, s. 186; 2012, c. 8, s. 228.

**1029.8.36.91.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 264; 2001, c. 51, s. 187; 2004, c. 4, s. 11; 2012, c. 8, s. 228.

**1029.8.36.92.** *(Repealed).*

History: 1999, c. 83, s. 218; 2012, c. 8, s. 228.

**1029.8.36.93.** *(Repealed).*

History: 1999, c. 83, s. 218; 2012, c. 8, s. 228.

**1029.8.36.94.** *(Repealed).*

History: 1999, c. 83, s. 218; 2000, c. 39, s. 188; 2001, c. 51, s. 188; 2002, c. 9, s. 103.

**DIVISION II.6.9**

*(Repealed).*

§1. — *(Repealed).*

**1029.8.36.95.** *(Repealed).*

History: 1999, c. 83, s. 218; 2001, c. 51, s. 228; 2002, c. 9, s. 104; 2002, c. 40, s. 198; 2002, c. 45, s. 521; O.C. 45-2004; 2004, c. 37, s. 90; 2005, c. 23, s. 215; 2006, c. 13, s. 169; 2012, c. 8, s. 228.

§2. — *(Repealed).*

**1029.8.36.96.** *(Repealed).*

History: 1999, c. 83, s. 218; 2002, c. 9, s. 105; 2003, c. 9, s. 326; 2005, c. 23, s. 216; 2012, c. 8, s. 228.

**1029.8.36.97.** *(Repealed).*

History: 1999, c. 83, s. 218; 2002, c. 9, s. 106; 2012, c. 8, s. 228.

**1029.8.36.98.** *(Repealed).*

History: 1999, c. 83, s. 218; 2001, c. 7, s. 169; 2002, c. 9, s. 107; 2002, c. 40, s. 199; 2012, c. 8, s. 228.

**1029.8.36.99.** *(Repealed).*

History: 1999, c. 83, s. 218; 2001, c. 7, s. 169; 2002, c. 9, s. 108; 2012, c. 8, s. 228.

**1029.8.36.100.** *(Repealed).*

History: 1999, c. 83, s. 218; 2002, c. 9, s. 109.

**1029.8.36.101.** *(Repealed).*

History: 1999, c. 83, s. 218; 2002, c. 9, s. 110.

**DIVISION II.6.10**

*(Repealed).*

§1. — *(Repealed).*

**1029.8.36.102.** *(Repealed).*

History: 1999, c. 86, s. 85; 2001, c. 51, s. 228; 2004, c. 21, s. 421; 2009, c. 5, s. 455.

**1029.8.36.103.** *(Repealed).*

History: 1999, c. 86, s. 85; 2009, c. 5, s. 455.

§2. — *(Repealed).*

**1029.8.36.104.** *(Repealed).*

History: 1999, c. 86, s. 85; 2003, c. 9, s. 327; 2009, c. 5, s. 455.

**1029.8.36.105.** *(Repealed).*

History: 1999, c. 86, s. 85; 2003, c. 9, s. 328; 2009, c. 5, s. 455.

**1029.8.36.106.** *(Repealed).*

History: 1999, c. 86, s. 85; 2003, c. 9, s. 329; 2009, c. 5, s. 455.

**1029.8.36.107.** *(Repealed).*

History: 1999, c. 86, s. 85; 2002, c. 9, s. 111.

§3. — *(Repealed).*

**1029.8.36.108.** *(Repealed).*

History: 1999, c. 86, s. 85; 2003, c. 9, s. 330; 2009, c. 5, s. 455.

**1029.8.36.109.** *(Repealed).*

History: 1999, c. 86, s. 85; 2009, c. 5, s. 455.

**1029.8.36.110.** *(Repealed).*

History: 1999, c. 86, s. 85; 2003, c. 9, s. 331; 2009, c. 5, s. 455.

**1029.8.36.111.** *(Repealed).*

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2009, c. 5, s. 455.

**1029.8.36.112.** *(Repealed).*

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2009, c. 5, s. 455.

**1029.8.36.113.** *(Repealed).*

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2009, c. 5, s. 455.

**1029.8.36.114.** *(Repealed).*

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2009, c. 5, s. 455.

**DIVISION II.6.11**  
(REPEALED).

§1. — (Repealed).

**1029.8.36.115.** (Repealed).

History: 1999, c. 86, s. 85; 2001, c. 51, s. 228; 2002, c. 40, s. 200; 2005, c. 23, s. 217; 2010, c. 5, s. 158.

§2. — (Repealed).

**1029.8.36.116.** (Repealed).

History: 1999, c. 86, s. 85; 2003, c. 9, s. 332; 2005, c. 23, s. 218; 2010, c. 5, s. 158.

**1029.8.36.117.** (Repealed).

History: 1999, c. 86, s. 85; 2003, c. 9, s. 333; 2005, c. 23, s. 219; 2010, c. 5, s. 158.

**1029.8.36.118.** (Repealed).

History: 1999, c. 86, s. 85; 2002, c. 9, s. 112.

§3. — (Repealed).

**1029.8.36.119.** (Repealed).

History: 1999, c. 86, s. 85; 2009, c. 15, s. 299; 2010, c. 5, s. 158.

**1029.8.36.120.** (Repealed).

History: 1999, c. 86, s. 85; 2004, c. 21, s. 422; 2009, c. 15, s. 300; 2010, c. 5, s. 158.

**1029.8.36.121.** (Repealed).

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2002, c. 40, s. 201; 2010, c. 5, s. 158.

**1029.8.36.122.** (Repealed).

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2002, c. 40, s. 201; 2006, c. 36, s. 188; 2009, c. 15, s. 301; 2010, c. 5, s. 158.

**1029.8.36.123.** (Repealed).

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2002, c. 40, s. 201; 2006, c. 36, s. 189; 2009, c. 15, s. 302; 2010, c. 5, s. 158.

**1029.8.36.124.** (Repealed).

History: 1999, c. 86, s. 85; 2001, c. 7, s. 169; 2010, c. 5, s. 158.

**DIVISION II.6.12**  
(REPEALED).

§1. — (Repealed).

**1029.8.36.125.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.126.** (Repealed).

History: 2001, c. 51, s. 189; 2005, c. 23, s. 220; 2010, c. 5, s. 158.

**1029.8.36.127.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.128.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

§2. — (Repealed).

**1029.8.36.129.** (Repealed).

History: 2001, c. 51, s. 189; 2003, c. 9, s. 334; 2010, c. 5, s. 158.

**1029.8.36.130.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.131.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.132.** (Repealed).

History: 2001, c. 51, s. 189; 2003, c. 9, s. 335; 2010, c. 5, s. 158.

**1029.8.36.133.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.134.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.135.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.136.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.137.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.138.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.139.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.140.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

§3. — (Repealed).

**1029.8.36.141.** (Repealed).

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.142.** *(Repealed).*

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.143.** *(Repealed).*

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.144.** *(Repealed).*

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.145.** *(Repealed).*

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**1029.8.36.146.** *(Repealed).*

History: 2001, c. 51, s. 189; 2010, c. 5, s. 158.

**DIVISION II.6.13***(Repealed).*§1. — *(Repealed).***1029.8.36.147.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 202; 2002, c. 45, s. 521; 2003, c. 9, s. 337; 2004, c. 37, s. 90; 2005, c. 23, s. 221; 2006, c. 13, s. 170; 2012, c. 8, s. 228.

**1029.8.36.148.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 203; 2012, c. 8, s. 228.

**1029.8.36.149.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 204; 2005, c. 1, s. 247; 2012, c. 8, s. 228.

**1029.8.36.150.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 205; 2012, c. 8, s. 228.

**1029.8.36.151.** *(Repealed).*

History: 2002, c. 9, s. 113; 2012, c. 8, s. 228.

§2. — *(Repealed).***1029.8.36.152.** *(Repealed).*

History: 2002, c. 9, s. 113; 2003, c. 9, s. 338; 2005, c. 23, s. 222; 2012, c. 8, s. 228.

**1029.8.36.153.** *(Repealed).*

History: 2002, c. 9, s. 113; 2012, c. 8, s. 228.

**1029.8.36.154.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 206; 2012, c. 8, s. 228.

**1029.8.36.155.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 207; 2012, c. 8, s. 228.

**1029.8.36.156.** *(Repealed).*

History: 2002, c. 9, s. 113; 2002, c. 40, s. 208.

**DIVISION II.6.14***(Repealed).*§1. — *(Repealed).***1029.8.36.157.** *(Repealed).*

History: 2002, c. 40, s. 209; 2004, c. 21, s. 423; 2010, c. 25, s. 170.

**1029.8.36.158.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

**1029.8.36.159.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

**1029.8.36.160.** *(Repealed).*

History: 2002, c. 40, s. 209; 2005, c. 1, s. 248; 2010, c. 25, s. 170.

**1029.8.36.161.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

**1029.8.36.162.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

§2. — *(Repealed).***1029.8.36.163.** *(Repealed).*

History: 2002, c. 40, s. 209; 2003, c. 9, s. 339; 2010, c. 25, s. 170.

**1029.8.36.164.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

**1029.8.36.165.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.

**1029.8.36.166.** *(Repealed).*

History: 2002, c. 40, s. 209; 2010, c. 25, s. 170.