



NATIONAL ASSEMBLY OF QUÉBEC

FIRST SESSION

FORTY-SECOND LEGISLATURE

Bill 74
(2021, chapter 14)

**An Act to give effect to fiscal
measures announced in the Budget
Speech delivered on 10 March 2020
and to certain other measures**

**Introduced 2 December 2020
Passed in principle 2 February 2021
Passed 26 May 2021
Assented to 2 June 2021**

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EXPLANATORY NOTES

The purpose of this Act is to give effect to fiscal measures announced in the Budget Speech delivered on 10 March 2020 and to certain other measures.

For the purpose of introducing or modifying measures specific to Québec, the Act amends the Taxation Act and the Act respecting the sectoral parameters of certain fiscal measures to, in particular,

(1) introduce a refundable tax credit for caregivers as a replacement of the existing tax assistance for informal caregivers;

(2) simplify the payment of the refundable solidarity tax credit in favour of a surviving spouse and of recipients of a social assistance program;

(3) introduce a refundable tax credit for small and medium-sized businesses in respect of persons with a severely limited capacity for employment;

(4) extend the income-averaging mechanism for forest producers;

(5) introduce an incentive deduction for the commercialization of innovations;

(6) introduce a tax credit relating to investment and innovation;

(7) extend the tax holiday for large investment projects;

(8) introduce a refundable tax credit to support print media and extend the refundable tax credit for the digital transformation of print media;

(9) make changes to certain refundable tax credits in the cultural field; and

(10) make certain changes to the compensatory tax on financial institutions.

In addition, as a consequence of the COVID-19 pandemic, the Act introduces various transitional measures whose effect is to

(1) extend several time limits that are due to expire in 2020 under the Act respecting parental insurance, the Mining Tax Act, the Taxation Act, the Act respecting the legal publicity of enterprises, the Act respecting the Régie de l'assurance maladie du Québec, the Act respecting the Québec Pension Plan and the Act respecting the Québec sales tax, including the time limits applicable to the filing of an individual's fiscal return, the payment, in certain cases, of the balance of tax payable and of provisional accounts, the remittance of the Québec sales tax as well as the filing of the return respecting the tax on lodging and the remittance of the related tax payable;

(2) amend the Act respecting the Régie de l'assurance maladie du Québec to introduce a credit for employer contributions to the Health Services Fund, as a complement to the Canada Emergency Wage Subsidy; and

(3) reduce by 25%, for harmonization purposes with federal tax legislation, the minimum amount that is required to be withdrawn under a registered retirement income fund for the year 2020.

In addition, the Taxation Act and the Act respecting the Québec sales tax are amended to make amendments similar to those made to the Income Tax Act and the Excise Tax Act by federal bills assented to mainly in 2017, 2018 and 2019. More specifically, the amendments deal with

(1) the capital gains arising from the disposition of a principal residence;

(2) the deduction in respect of a stock option in situations of death;

(3) the repayment of wages paid as a result of an error;

(4) the elimination of the possibility for certain professionals to use billed-basis accounting;

(5) the collection of the Québec sales tax on the sale of carbon emission allowances;

(6) the zero-rated status and exemption for certain health-related supplies; and

(7) the drop shipment rules applicable to the Québec sales tax.

Lastly, the Act makes various technical amendments as well as consequential and terminology-related amendments.

LEGISLATION AMENDED BY THIS ACT:

- Tax Administration Act (chapter A-6.002);
- Act respecting parental insurance (chapter A-29.011);
- Act respecting international financial centres (chapter C-8.3);
- Act respecting municipal taxation (chapter F-2.1);
- Mining Tax Act (chapter I-0.4);
- Taxation Act (chapter I-3);
- Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);
- Act respecting the Régie de l'assurance maladie du Québec (chapter R-5);
- Act respecting the Québec Pension Plan (chapter R-9);
- Act respecting the Québec sales tax (chapter T-0.1);
- Act respecting remunerated passenger transportation by automobile (chapter T-11.2).

REGULATION AMENDED BY THIS ACT:

- Regulation respecting the Taxation Act (chapter I-3, r. 1).

Bill 74

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 10 MARCH 2020 AND TO CERTAIN OTHER MEASURES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. Section 12.0.1 of the Tax Administration Act (chapter A-6.002) is amended by replacing “Notwithstanding” and “shall not require” by “Despite” and “may decide not to require”, respectively.

2. (1) Section 12.0.2 of the Act is amended by inserting “as it read before being repealed,” after “(chapter S-4.1.1),” in the portion before subparagraph *a* of the first paragraph.

(2) Subsection 1 has effect from 1 January 2019.

3. Section 17.9 of the Act is amended by replacing “subparagraphs *b, c*” in the second paragraph by “subparagraphs *b* to *c*”.

4. Section 25.3 of the Act is amended by striking out “solely”.

5. (1) Section 36.0.1 of the Act is replaced by the following section:

“36.0.1. The Minister may extend the time limit within which a taxpayer must file a prescribed form containing prescribed information provided for in any of sections 230.0.0.4.1, 776.1.35, 1029.6.0.1.2 and 1029.8.0.0.1 of the Taxation Act (chapter I-3) (in this section referred to as the “particular provision”), for a taxation year, only if the taxpayer applies to the Minister in writing to that effect.

An application under the first paragraph must be sent to the Minister not later than one year after the expiry of the time limit that would otherwise have been applicable to the taxpayer under the particular provision and be accompanied by the prescribed form containing prescribed information referred to in the first paragraph and, if applicable, a copy of any other document that must be filed under the particular provision.

The Minister’s decision is not subject to objection, contestation or appeal.”

(2) Subsection 1 applies to a taxation year in respect of which the time limit for filing a prescribed form containing prescribed information with the Minister of Revenue expires after 16 March 2020.

(3) In addition, subsection 1 applies to a taxation year described in subsection 4, in which case section 36.0.1 of the Act is to be read without reference to the second paragraph.

(4) A taxation year to which subsection 3 refers is a taxpayer's taxation year for which a written application for a time limit extension is filed with the Minister of Revenue, on or before 30 November 2020, together with the prescribed form containing prescribed information that must be filed under any of sections 230.0.0.4.1, 776.1.35, 1029.6.0.1.2 and 1029.8.0.0.1 of the Taxation Act (chapter I-3) (in this subsection referred to as the "particular provision"), for the year and, if applicable, a copy of any other document that must be filed under the particular provision, and in respect of which

(1) the time limit provided for in the particular provision for filing the prescribed form containing prescribed information with the Minister of Revenue expired during the period beginning on 17 March 2019 and ending on 16 March 2020; or

(2) the following conditions have been met:

(a) the prescribed form containing prescribed information and, if applicable, a copy of any other document referred to in the particular provision have been filed with the Minister of Revenue during the 12-month period that follows the expiry of the time limit provided for in the particular provision that is applicable for the year;

(b) either the time limit for filing a notice of objection to, or an appeal from, an assessment issued for the year had not expired on 29 May 2020, or an assessment issued for the year was the subject of an objection or an appeal at any time within the period beginning on 17 March 2019 and ending on 29 May 2020; and

(c) if applicable, the basis of one of the subjects of the objection or appeal, expressly invoked in the notice of objection or notice of appeal, as the case may be, is the Minister of Revenue's refusal to either allow the taxpayer an amount as a deduction in computing the taxpayer's income or tax payable for the year or grant the taxpayer an amount deemed to have been paid on account of the taxpayer's tax payable for the year, because of the filing, after the expiry of the time limit provided for in the particular provision that is applicable for the year, of the prescribed form containing prescribed information and, if applicable, a copy of any other document referred to in the particular provision.

6. Section 58.1.1 of the Act is amended by inserting the following paragraph after paragraph *h*:

“(h.1) trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act; and”.

7. Section 59.0.3 of the Act is amended by replacing the third paragraph by the following paragraph:

“However, where the request concerns the person’s Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the penalties do not apply if, not later than 15 days following the request, the person applied for the assignment of such a number and has provided the number to the person requiring it within 15 days after receiving it.”

8. (1) Section 93.1.1 of the Act is amended by inserting “as it read before being repealed,” after “(chapter S-4.1.1),” in the second paragraph.

(2) Subsection 1 has effect from 1 January 2019.

9. (1) Section 93.2 of the Act, amended by section 22 of chapter 5 of the statutes of 2020 and section 107 of chapter 12 of the statutes of 2020, is again amended by inserting “, as it read before being repealed” after “(chapter S-4.1.1)” in subparagraph *m.1* of the first paragraph.

(2) Subsection 1 has effect from 1 January 2019.

ACT RESPECTING PARENTAL INSURANCE

10. (1) The Act respecting parental insurance (chapter A-29.011) is amended by inserting the following section after section 61:

61.1. For the purposes of this Act, an amount deducted by an employer under section 60 for a particular year after the year 2015 in respect of an excess payment that was paid by the employer to an employee—as a result of an administrative, clerical or system error—as wages in respect of an employment is deemed, to the extent provided for in the second paragraph, not to have been deducted if

(1) before the end of the third year that follows the year in which the amount was deducted,

(a) the employer elects to have this section apply in respect of the amount, and

(b) the employee has repaid, or made an arrangement to repay, the employer;

(2) before making the election referred to in subparagraph *a* of subparagraph 1, the employer has not filed an information return correcting for the excess payment; and

(3) any additional conditions determined by the Minister are met.

The amount that is deemed under the first paragraph not to have been deducted is the lesser of the amount that was deducted by the employer under section 60 for the particular year in respect of the excess payment and the amount by which the aggregate of all amounts each of which is an amount that was deducted by the employer under that section as the employee's premiums for the particular year exceeds the aggregate of all amounts each of which is an amount that would have been so deducted by the employer as such premiums for the particular year had the employer not made the excess payment."

(2) Subsection 1 applies in respect of an excess payment of wages made after 31 December 2015.

II. (1) The Act is amended by inserting the following section after section 70:

"70.1. Where an amount paid to the Minister by an employer is deemed under section 61.1 not to have been deducted, the Minister may refund that amount to the employer if the employer applies to the Minister for the refund within four years after the end of the year for which the amount was paid."

(2) Subsection 1 applies in respect of an excess payment of wages made after 31 December 2015.

ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

12. (1) Section 65.1 of the Act respecting international financial centres (chapter C-8.3) is amended by replacing the portion before paragraph 1 by the following:

"65.1. If, at a particular time included in a specified period of an individual described in section 66, established under the fourth paragraph of section 65, in relation to an employment held by the individual with a corporation operating an international financial centre (in this section referred to as the "initial specified period"), the individual acquired a right to a security under an agreement referred to in section 48 of the Taxation Act (chapter I-3) and, at a later time after the end of the initial specified period, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1 of that Act, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:"

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

ACT RESPECTING MUNICIPAL TAXATION

13. (1) Section 210.7 of the Act respecting municipal taxation (chapter F-2.1) is amended

(1) by replacing the portion before the formula in the first paragraph by the following:

“210.7. The amount of the grant to which a person to whom section 210.5 applies is entitled in respect of a specified assessment unit situated in the territory of a municipality for a year to which a roll applies (in this section referred to as the “current roll”) is equal to the amount determined by the formula”;

(2) by replacing “produit des montants” in subparagraph 6 of the second paragraph in the French text by “produit obtenu en multipliant les montants”;

(3) by adding the following subparagraph at the end of the second paragraph:

“(7) the product, determined for a year, obtained by multiplying the amount that A represents and the difference between the amount that B represents and the product obtained by multiplying the amounts that C and D represent may not exceed \$500.”

(2) Subsection 1 applies in respect of a grant application filed after 23 September 2016.

MINING TAX ACT

14. (1) Section 4.4 of the Mining Tax Act (chapter I-0.4) is amended by replacing paragraphs 1 and 2 of the definition of “relevant spot rate” by the following paragraphs:

“(1) if the particular currency or the other currency is Canadian currency, the rate quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such a rate, but there is no such rate quoted for the particular day, the closest preceding day for which such a rate is quoted) for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister; and

“(2) if neither the particular currency nor the other currency is Canadian currency, the rate—calculated by reference to the rates quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such rates, but either of such rates is not quoted for the particular day, the closest

preceding day for which both such rates are quoted)—for the exchange of the particular currency for the other currency, or, for the purposes of paragraph 2 of section 4.5 and paragraph 3 of section 4.7, any other rate of exchange that is acceptable to the Minister;”.

(2) Subsection 1 has effect from 1 March 2017.

TAXATION ACT

15. (1) Section 1 of the Taxation Act (chapter I-3) is amended

(1) by adding the following subparagraph at the end of paragraph *b* of the definition of “derivative forward agreement”:

“iii. an underlying interest that relates to a purchase of currency, if it can reasonably be considered that the purchase is agreed to by the taxpayer in order to reduce the risk to the taxpayer of fluctuations in the value of the currency from which a capital property of the taxpayer derives its value or in which a purchase or sale by the taxpayer of a capital property, or an obligation that is a capital property of the taxpayer, is denominated; and”;

(2) by adding the following subparagraph at the end of subparagraph *i* of paragraph *c* of the definition of “derivative forward agreement”:

“(3) an underlying interest that relates to a sale of currency, if it can reasonably be considered that the sale is agreed to by the taxpayer in order to reduce the risk to the taxpayer of fluctuations in the value of the currency from which a capital property of the taxpayer derives its value or in which a purchase or sale by the taxpayer of a capital property, or an obligation that is a capital property of the taxpayer, is denominated, and”;

(3) by replacing the definition of “profit sharing plan” by the following definition:

““profit sharing plan” has the meaning assigned by section 852;”.

(2) Paragraphs 1 and 2 of subsection 1 have effect from 21 March 2013.

16. (1) Section 2.2 of the Act is amended by replacing “Divisions II.11.3, II.11.6 and II.11.7” by “Division II.11.7.2”.

(2) Subsection 1 applies from the taxation year 2020.

17. (1) Section 21.1 of the Act is amended, in the first and fourth paragraphs,

(1) by striking out “776.1.5.6.”;

(2) by inserting “1029.8.36.166.60.54, 1029.8.36.166.60.55,” after “1029.8.36.166.50,”.

(2) Paragraph 2 of subsection 1 has effect from 11 March 2020.

18. (1) The Act is amended by inserting the following section after section 21.2.2:

“21.2.2.1. Subject to section 21.3, where, at a particular time, as part of a series of transactions or events, two or more persons acquire shares of a corporation (in this section referred to as the “acquiring corporation”) in exchange for or upon a redemption or surrender of interests in, or as a consequence of a distribution from, a partnership or trust, control of the acquiring corporation and of each corporation controlled by it immediately before the particular time is deemed to have been acquired by a person or group of persons at the particular time, except in the following cases:

(a) in relation to each of those corporations, a person affiliated with the partnership or trust owns immediately before the particular time shares of the corporation having a total fair market value of more than 50% of the fair market value of all the issued and outstanding shares of the corporation immediately before the particular time;

(b) if all the securities, within the meaning of the first paragraph of section 1129.70, of the acquiring corporation that were acquired as part of the series of transactions or events at or before the particular time were acquired by one person, the person would not at the particular time control the acquiring corporation and would have at the particular time acquired securities of the acquiring corporation having a fair market value of not more than 50% of the fair market value of all the issued and outstanding shares of the acquiring corporation; and

(c) section 21.2.2 applies, or section 21.2.2 or this section previously applied, to deem an acquisition of control of the acquiring corporation upon an acquisition of shares that was part of the same series of transactions or events.”

(2) Subsection 1 applies in respect of a transaction completed after 15 September 2016, other than a transaction the parties to which are obligated to complete under an agreement in writing between the parties entered into before 16 September 2016. However, parties are deemed not to be obligated to complete a transaction under an agreement in writing if one or more of those parties may evade that obligation as a result of amendments to the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement).

19. (1) Section 21.4.1 of the Act is amended by inserting “1029.8.36.166.60.54, 1029.8.36.166.60.55,” after “1029.8.36.166.50,” in paragraph *b*.

(2) Subsection 1 has effect from 11 March 2020.

20. (1) Section 21.4.2.1 of the Act is amended by inserting “1029.8.36.166.60.54, 1029.8.36.166.60.55,” after “1029.8.36.166.50,” in the definitions of “attribute trading restriction” and “specified provision”.

(2) Subsection 1 has effect from 11 March 2020.

21. (1) Section 21.4.16 of the Act is amended by replacing paragraphs *a* and *b* of the definition of “relevant spot rate” by the following paragraphs:

“(a) if the particular currency or the other currency is Canadian currency, the rate quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such a rate, but there is no such rate quoted for the particular day, the closest preceding day for which such a rate is quoted) for the exchange of the particular currency for the other currency, or, for the purposes of paragraph *b* of section 21.4.17 and paragraph *c* of section 21.4.19, any other rate of exchange that is acceptable to the Minister; and

“(b) if neither the particular currency nor the other currency is Canadian currency, the rate—calculated by reference to the rates quoted by the Bank of Canada on the particular day (or, if the Bank of Canada ordinarily quotes such rates, but either of such rates is not quoted for the particular day, the closest preceding day for which both such rates are quoted)—for the exchange of the particular currency for the other currency, or, for the purposes of paragraph *b* of section 21.4.17 and paragraph *c* of section 21.4.19, any other rate of exchange that is acceptable to the Minister;”.

(2) Subsection 1 has effect from 1 March 2017.

22. (1) Section 21.4.22 of the Act is amended by inserting “1029.8.36.166.60.51,” after “1029.8.36.166.46,” in subparagraph *i* of paragraph *a*.

(2) Subsection 1 has effect from 11 March 2020.

23. (1) Section 21.4.30 of the Act is amended by inserting “, 1029.8.36.166.60.52” after “1029.8.36.166.47” in the portion before paragraph *a*.

(2) Subsection 1 has effect from 11 March 2020.

24. (1) Section 25 of the Act is amended, in the second paragraph,

(1) by replacing “section 726.35 or 726.43” by “any of sections 726.43 to 726.43.2”;

(2) by striking out “726.33,”.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in the second paragraph of section 25 of the Act, the reference to section 726.35 of the Act.

25. (1) The Act is amended by inserting the following section after section 85.3:

“85.3.0.1. Where the first paragraph of section 215 applies for the purpose of computing a taxpayer’s income from a business for the last taxation year of the taxpayer that begins before 22 March 2017, the following rules apply:

(a) for the purpose of computing the taxpayer’s income from the business at the end of the first taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer’s work in progress is deemed to be equal to 20% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer’s work in progress is deemed to be equal to 20% of that amount, determined without reference to this paragraph;

(b) for the purpose of computing the taxpayer’s income from the business at the end of the second taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer’s work in progress is deemed to be equal to 40% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer’s work in progress is deemed to be equal to 40% of that amount, determined without reference to this paragraph;

(c) for the purpose of computing the taxpayer’s income from the business at the end of the third taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer’s work in progress is deemed to be equal to 60% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer’s work in progress is deemed to be equal to 60% of that amount, determined without reference to this paragraph; and

(d) for the purpose of computing the taxpayer’s income from the business at the end of the fourth taxation year that begins after 21 March 2017,

i. the amount of the cost of the taxpayer’s work in progress is deemed to be equal to 80% of that amount, determined without reference to this paragraph, and

ii. the amount of the fair market value of the taxpayer’s work in progress is deemed to be equal to 80% of that amount, determined without reference to this paragraph.”

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

26. (1) Section 87 of the Act is amended by replacing subparagraphs i and ii of paragraph z.7 by the following subparagraphs:

“i. where the taxpayer acquires a property under a derivative forward agreement in the year, the portion of the amount by which the fair market value of the property at the time it is acquired by the taxpayer exceeds the cost to the taxpayer of the property that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs i to iii of paragraph *b* of the definition of “derivative forward agreement” in section 1, or

“ii. where the taxpayer disposes of a property under a derivative forward agreement in the year, the portion of the amount by which the proceeds of disposition, within the meaning of section 251, of the property exceeds the fair market value of the property at the time the agreement is entered into by the taxpayer that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs 1 to 3 of subparagraph i of paragraph *c* of the definition of “derivative forward agreement” in section 1.”

(2) Subsection 1 applies in respect of an acquisition or disposition of a property that occurs after 15 September 2016.

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

“**117.** If a corporation has made, in the year, an automobile available to a shareholder, or a person related to the shareholder, the value of the benefit to be included in computing the shareholder’s income for the year under section 111 is, except when an amount has been included in computing the shareholder’s income under section 41 in respect of the automobile, computed on the assumption that Divisions I and II of Chapter II of Title II, except section 41.0.2, apply in respect of that benefit, with the necessary modifications, and by replacing any reference to an employer by a reference to the corporation.”

(2) Subsection 1 applies from the taxation year 2020.

28. (1) Section 157.2.2 of the Act is amended by replacing subparagraphs 1 and 2 of subparagraph i of paragraph *a* of the second paragraph by the following subparagraphs:

“(1) if the taxpayer acquires a property under the agreement in the year or a preceding taxation year, the portion of the amount by which the cost to the taxpayer of the property exceeds the fair market value of the property at the time it is acquired by the taxpayer that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs i to iii of paragraph *b* of the definition of “derivative forward agreement” in section 1, or

“(2) if the taxpayer disposes of a property under the agreement in the year or a preceding taxation year, the portion of the amount by which the fair market value of the property at the time the agreement is entered into by the taxpayer exceeds the proceeds of disposition, within the meaning of section 251, of the property that is attributable to an underlying interest other than an underlying interest referred to in any of subparagraphs 1 to 3 of subparagraph *i* of paragraph *c* of the definition of “derivative forward agreement” in section 1, and”.

(2) Subsection 1 applies in respect of an acquisition or disposition of a property that occurs after 15 September 2016.

29. (1) Section 172 of the Act is amended by replacing subparagraph 2 of subparagraph *i* of subparagraph *b.6* of the first paragraph by the following subparagraph:

“(2) the average of all amounts each of which is the corporation’s contributed surplus (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies or an investment to which subsection 2 of section 212.3 of that Act applies) at the beginning of a month that ends in the year, to the extent that it was contributed by a specified shareholder not resident in Canada of the corporation, and”.

(2) Subsection 1 applies in respect of a transaction or event that occurs after 26 February 2018.

30. (1) Section 215 of the Act is amended by replacing the first paragraph by the following paragraph:

“For the purpose of computing the income of a taxpayer for a taxation year beginning before 22 March 2017 from a business that is the professional practice of an accountant, dentist, advocate, physician, veterinarian or chiropractor, no amount is to be included in respect of work in progress at the end of the year if the taxpayer makes, in relation to the year, a valid election under paragraph *a* of section 34 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) after 19 December 2006 in respect of the business.”

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

31. (1) Section 216 of the Act is amended by replacing the first paragraph by the following paragraph:

“If a taxpayer has not, in respect of a business, included any amount in respect of work in progress at the end of a taxation year because of an election referred to in the first paragraph of section 215 made in relation to the year, the taxpayer shall apply that paragraph for the purpose of computing the taxpayer’s income from the business for subsequent taxation years beginning before 22 March 2017, unless the taxation year is a year in relation to which

a revocation, made by the taxpayer under paragraph *b* of section 34 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) after 19 December 2006, of an election made under paragraph *a* of section 34 of that Act in respect of the business, is valid.”

(2) Subsection 1 applies to a taxation year that ends after 21 March 2017.

32. (1) Section 232 of the Act is amended by replacing subparagraph *a* of the third paragraph by the following subparagraph:

“(a) a property which, according to the Canadian Cultural Property Export Review Board, complies with the criterion of significance set out in subsection 3 of section 29 of the Cultural Property Export and Import Act (Revised Statutes of Canada, 1985, chapter C-51) and that has been disposed of to an institution or a public authority in Canada which is, at the time of disposition, designated under subsection 2 of section 32 of that Act for general purposes or for a specified purpose related to that property;”.

(2) Subsection 1 has effect from 19 March 2019.

33. (1) Section 251 of the Act is replaced by the following section:

“**251.** The proceeds of disposition of property include, for the purposes of this Title, the same elements as the proceeds of disposition of property referred to in subparagraph *f* of the first paragraph of section 93 and any amount deemed not to be a dividend under paragraph *b* of section 568; it does not include an amount deemed to be a dividend paid to a taxpayer under sections 517.1 to 517.3.1 or, if the taxpayer is a partnership, to a member of the partnership, an amount deemed to be a capital gain under section 517.5.5, an amount deemed to be a dividend received under section 508 to the extent that it refers to a dividend deemed paid under sections 505 and 506, except the portion of that amount that is deemed to be included in the proceeds of disposition of the share under paragraph *b* of section 308.1 or deemed not to be a dividend under paragraph *b* of section 568, or a prescribed amount.”

(2) Subsection 1 applies in respect of a disposition that occurs after 26 February 2018.

34. (1) Section 261 of the Act is amended by replacing paragraphs *b* and *c* by the following paragraphs:

“(b) for the purposes of Chapter V of Title X and sections 1102.4 and 1102.5, the taxpayer is deemed to have disposed of the property at that time; and

“(c) for the purposes of section 26, the first paragraph of section 27, Title VI.5 of Book IV and sections 1000 to 1003.2, the taxpayer is deemed to have disposed of the property in the year.”

(2) Subsection 1 applies in respect of a gain from a disposition that occurs after 15 September 2016.

35. (1) Section 261.1 of the Act is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) for the purposes of section 26, the first paragraph of section 27, Title VI.5 of Book IV, sections 1000 to 1003.2, 1102.4 and 1102.5, the interest is deemed to have been disposed of by the member at that time.”

(2) Subsection 1 applies in respect of a gain from a disposition that occurs after 15 September 2016.

36. (1) Section 271 of the Act is amended by replacing subparagraph *b* of the second paragraph by the following subparagraph:

“(b) B is

i. if the individual was resident in Canada during the taxation year that includes the acquisition date, one plus the number of taxation years that end after the acquisition date for which the property is the individual’s principal residence and during which the individual was resident in Canada, or

ii. if the individual was not resident in Canada at any time in the taxation year that includes the acquisition date, the number of taxation years that end after the acquisition date for which the property is the individual’s principal residence and during which the individual was resident in Canada;”.

(2) Subsection 1 applies in respect of a disposition that occurs after 2 October 2016.

37. (1) Section 272 of the Act is amended by replacing the first paragraph by the following paragraph:

“Where an individual disposes of property to the individual’s spouse or a trust and the presumption referred to in section 440 or 454 applies,

(a) the spouse or the trust is deemed to have owned the property since the individual acquired it; and

(b) the property is deemed to have been the principal residence of the spouse or trust

i. in the case provided for in section 440, for all the years for which the individual could have designated it, in accordance with the fifth paragraph of section 274, to have been the individual’s principal residence, and

ii. in the case provided for in section 454, for all the years for which it was the individual’s principal residence.”

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

38. (1) Section 274 of the Act is amended

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

“The condition referred to in the first paragraph consists in the particular property having been designated by the individual, in accordance with the fifth paragraph, as being the individual’s principal residence for the year and in no other property having been designated, for the purposes of this section and of sections 274.0.1, 275.1, 277 and 285, for the year by”;

(2) by striking out the third paragraph;

(3) by adding the following paragraphs at the end:

“Subject to the fourth paragraph, a particular property may be designated as principal residence under this section for a taxation year only if the particular property was the subject of a valid designation under paragraph *c* of the definition of “principal residence” in section 54 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year; however, if a designation made under that paragraph *c* for the year is in respect of a property that is not identical to the particular property but that includes it, in whole or in part, or is included, in whole or in part, in that property, the Minister may determine to what extent the designation made in respect of the particular property under this section for the year is valid.

Despite the third paragraph, if the Minister considers it appropriate in the circumstances, the Minister may agree to have a particular property designated as principal residence by an individual, under this section, for a particular taxation year even though the particular property was not the subject of a valid designation by the individual under paragraph *c* of the definition of “principal residence” in section 54 of the Income Tax Act for the particular year where

(*a*) the following conditions are met:

i. the individual disposed, in a taxation year that ended before 3 October 2016, of a property other than the particular property,

ii. the individual was resident in Québec at the end of the taxation year in which the other property was disposed of, and

iii. the particular taxation year is a taxation year in respect of which the other property was the subject of a valid designation by the individual under paragraph *c* of the definition of “principal residence” in section 54 of the Income Tax Act and could be the subject of a designation under this section by the individual for the particular taxation year, but was not the subject of such a designation; or

(b) the particular taxation year is a taxation year that precedes the taxation year in which the particular property is disposed of and

i. a valid designation was made by the individual under paragraph *c* of the definition of “principal residence” in section 54 of the Income Tax Act in respect of another property for the particular taxation year, and

ii. the Minister was of the opinion that the other property could not be the subject of a designation by the individual under this section for the particular taxation year.

An individual designates a particular property as the individual’s principal residence for a particular taxation year by enclosing the prescribed form containing prescribed information with the fiscal return the individual is required to file under section 1000 for the individual’s taxation year in which the individual disposed of the particular property or granted an option to purchase it.”

(2) Subsection 1 applies in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

39. (1) Section 274.0.1 of the Act is amended

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

“(a) the particular property was designated by the trust, in accordance with the fifth paragraph, as the trust’s principal residence for the year;”;

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

“(c.1) if the year begins after 31 December 2016, the trust is, in the year,

i. a trust for which a day is to be determined under any of subparagraphs *a*, *a.1* and *a.4* of the first paragraph of section 653 by reference to the death or later death, as the case may be, that has not occurred before the beginning of the year, of an individual who is resident in Canada during the year, and a trust a specified beneficiary of which for the year is the individual,

ii. a trust that is a qualified disability trust (within the meaning of the first paragraph of section 768.2) for the year and in respect of which an electing beneficiary (within the meaning of that paragraph) for the year is resident in Canada during the year, is a specified beneficiary of the trust for the year and is a spouse, former spouse or child of the settlor (having in this subparagraph *c.1* the meaning assigned by the first paragraph of section 658) of the trust, or

iii. a trust a specified beneficiary of which for the year is an individual who is resident in Canada during the year, who has not attained 18 years of age before the end of the year and a mother or father of whom is a settlor of the trust, and in respect of which either of the following conditions is met:

(1) no mother or father of the individual is alive at the beginning of the year, or

(2) the trust arose before the beginning of the year on and as a consequence of the death of a mother or father of the individual; and”;

(3) by striking out the third paragraph;

(4) by adding the following paragraphs at the end:

“Subject to the fourth paragraph, a particular property may be designated as principal residence under this section for a taxation year only if the particular property was the subject of a valid designation under paragraph *c.1* of the definition of “principal residence” in section 54 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for the year; however, if a designation made under that paragraph *c.1* for the year is in respect of a property that is not identical to the particular property but that includes it, in whole or in part, or is included, in whole or in part, in that property, the Minister may determine to what extent the designation made in respect of the particular property under this section for the year is valid.

Despite the third paragraph, if the Minister considers it appropriate in the circumstances, the Minister may agree to have a particular property designated as principal residence by a trust, under this section, for a particular taxation year even though the particular property was not the subject of a valid designation by the trust under paragraph *c.1* of the definition of “principal residence” in section 54 of the Income Tax Act for the particular year where

(a) the following conditions are met:

i. the trust disposed, in a taxation year that ended before 3 October 2016, of a property other than the particular property,

ii. the trust was resident in Québec at the end of the taxation year in which the other property was disposed of, and

iii. the particular taxation year is a taxation year in respect of which the other property was the subject of a valid designation by the trust under paragraph *c.1* of the definition of “principal residence” in section 54 of the Income Tax Act and could be the subject of a designation under this section by the trust for the particular taxation year, but was not the subject of such a designation; or

(b) the particular taxation year is a taxation year that precedes the taxation year in which the particular property is disposed of and

i. a valid designation was made by the trust under paragraph *c.1* of the definition of “principal residence” in section 54 of the Income Tax Act in respect of another property for the particular taxation year, and

ii. the Minister was of the opinion that the other property could not be the subject of a designation by the trust under this section for the particular taxation year.

A trust designates a particular property as its principal residence for a particular taxation year by enclosing the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for its taxation year in which it disposed of the particular property or granted an option to purchase it.”

(2) Paragraphs 1, 3 and 4 of subsection 1 apply in respect of a disposition that occurs in a taxation year that ends after 2 October 2016.

(3) Paragraph 2 of subsection 1 has effect from 14 December 2017.

40. (1) Section 274.1 of the Act is replaced by the following section:

“274.1. Subject to section 274.1.1, where a property was owned by an individual, whether jointly with another person or otherwise, at the end of 31 December 1981 and continuously thereafter until disposed of by the individual, the gain determined under section 271 in respect of the disposition of that property must not exceed the amount by which the aggregate of the following amounts exceeds the amount by which the fair market value of the property on 31 December 1981 exceeds the proceeds of disposition of the property determined without reference to this section:

(*a*) the individual’s gain calculated in accordance with section 271 on the assumption that the individual had disposed of the property on 31 December 1981 for proceeds of disposition equal to its fair market value on that date; and

(*b*) the individual’s gain calculated in accordance with section 271 on the assumption that that section applies and that

i. subparagraph *i* of subparagraph *b* of the second paragraph of section 271 is read without reference to “one plus”, and

ii. the individual acquired the property on 1 January 1982 at a cost equal to the proceeds of disposition determined under paragraph *a*.”

(2) Subsection 1 has effect from 14 December 2017.

41. (1) The Act is amended by inserting the following section after section 274.1:

“274.1.1. Where a property was owned by a trust, whether jointly with another person or otherwise, at the end of 31 December 2016 and continuously thereafter until disposed of by the trust, where the trust was not in its first taxation year that begins after 31 December 2016 a trust described in subparagraph *c.1* of the second paragraph of section 274.0.1, where the trust disposes of the property after 31 December 2016 and where the disposition is the trust’s first disposition of the property after that date, the following rules apply:

(a) section 274.1 does not apply in respect of the disposition; and

(b) the trust’s gain determined under section 271 in respect of the disposition of the property is equal to the amount by which the aggregate of the following amounts exceeds the amount by which the fair market value of the property on 31 December 2016 exceeds the proceeds of disposition of the property determined without reference to this section:

i. the trust’s gain calculated in accordance with section 271 on the assumption that

(1) the trust disposed of the property on 31 December 2016 for proceeds of disposition equal to its fair market value on that date, and

(2) paragraph *a* did not apply in respect of the disposition described in subparagraph 1, and

ii. the trust’s gain in respect of the disposition calculated in accordance with section 271 on the assumption that

(1) subparagraph *i* of subparagraph *b* of the second paragraph of section 271 is read without reference to “one plus”, and

(2) the trust acquired the property on 1 January 2017 at a cost equal to the proceeds of disposition determined under subparagraph 1 of subparagraph *i*.”

(2) Subsection 1 has effect from 14 December 2017.

42. Section 311.1 of the Act is amended by striking out subparagraph *e* of the second paragraph.

43. (1) Section 313.13 of the Act is replaced by the following section:

“313.13. A taxpayer shall also include any amount that is required to be included in computing the taxpayer’s income for the year under Title VI.0.2 of Book VII, other than an amount distributed under a pooled registered pension plan as a return of all or a portion of a contribution to the plan to the extent that the amount

(a) is a payment described under clause A or B of subparagraph ii of paragraph *d* of subsection 3 of section 147.5 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and

(b) is not deducted in computing the taxpayer's income for the year or a preceding taxation year.”

(2) Subsection 1 has effect from 14 December 2012.

44. (1) Section 489 of the Act is amended by inserting the following paragraph after paragraph *b*:

“(b.1) where the taxpayer is an individual (other than a trust), an amount ordinarily paid as a social assistance payment based on a means, needs or income test provided for under a program of the Government of Canada or the government of a province, to the extent that it is received directly or indirectly by the taxpayer for the benefit of a particular individual, if

i. payments to recipients under the program are made for the care and upbringing, on a temporary basis, of another individual in need of protection,

ii. the particular individual is a child of the taxpayer because of paragraph *b* of the definition of “child” in section 1 (or would be a child of the taxpayer under that paragraph if the taxpayer did not receive payments under the program), and

iii. no special allowance under the Children's Special Allowances Act (Statutes of Canada, 1992, chapter 48) is payable in respect of the particular individual for the period in respect of which the social assistance payment is made;”.

(2) Subsection 1 has effect from 1 January 2009.

45. (1) Section 504 of the Act is amended, in subsection 2,

(1) by replacing paragraphs *d* and *e* by the following paragraphs:

“(d) a transaction by which an insurance corporation converts contributed surplus related to its insurance business (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies or an investment to which subsection 2 of section 212.3 of that Act applies) into paid-up capital in respect of shares of its capital stock;

“(e) a transaction by which a bank converts contributed surplus resulting from the issuance of shares of its capital stock (other than any portion of that contributed surplus that arose at a time when the corporation was not resident

in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act applies or an investment to which subsection 2 of section 212.3 of that Act applies) into paid-up capital in respect of shares of its capital stock; or”;

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

“(f) a transaction by which a corporation, other than an insurance corporation or a bank, converts into paid-up capital in respect of a particular class of shares of its capital stock any of its contributed surplus (other than any portion of that contributed surplus that arose at a time when the corporation was not resident in Canada, or that arose in connection with a disposition to which subsection 1.1 of section 212.1 of the Income Tax Act applies or an investment to which subsection 2 of section 212.3 of that Act applies) resulting, after 31 March 1977,”.

(2) Subsection 1 applies in respect of a transaction or event that occurs after 26 February 2018.

46. (1) The Act is amended by inserting the following sections after section 572.2:

“**572.2.1.** For the purposes of sections 572.2.2 and 572.2.3, a particular property is a tracking interest in respect of a person or partnership (in this section referred to as the “tracked entity”) if

(a) all or part of the fair market value of the particular property—or of any payment or right to receive an amount in respect of the particular property—can reasonably be considered to be determined, directly or indirectly, by reference to one or more of the following criteria in respect of property or activities of the tracked entity (in this section and section 572.2.2 referred to as the “tracked property and activities”):

- i. the fair market value of property of the tracked entity,
- ii. any revenue, income or cash flow from property or activities of the tracked entity,
- iii. any profits or gains from the disposition of property of the tracked entity, and
- iv. any similar criteria applicable to property or activities of the tracked entity; and

(b) the tracked property and activities in respect of the particular property represent less than all of the property and activities of the tracked entity.

“572.2.2. The rules set out in the second paragraph apply in respect of a particular foreign affiliate of a taxpayer for a taxation year of the foreign affiliate, for the purpose of determining an amount to be included or deducted, in respect of the year, by the taxpayer in computing the taxpayer’s income under section 580 or 583, respectively, if, at any time in the year,

(a) the taxpayer holds a property that is a tracking interest in respect of the particular foreign affiliate; and

(b) shares of a class of the capital stock of the particular foreign affiliate (in the second paragraph referred to as a “tracking class”) the fair market value of which can reasonably be considered to be determined by reference to the tracked property and activities in respect of the tracking interest are held by the taxpayer or a foreign affiliate of the taxpayer.

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

(a) the tracked property and activities of the particular foreign affiliate are deemed to be property and activities of a corporation not resident in Canada that is separate from the particular foreign affiliate and not to be property or activities of the particular foreign affiliate;

(b) any income, losses or gains for the year in respect of the property and activities described in subparagraph *a* are deemed to be income, losses or gains of the separate corporation and not of the particular foreign affiliate;

(c) all rights and obligations of the particular foreign affiliate in respect of the property and activities described in subparagraph *a* are deemed to be rights and obligations of the separate corporation and not of the particular foreign affiliate;

(d) the separate corporation is deemed to have, at the end of the year, 100 issued and outstanding shares of a single class of its capital stock which have full voting rights under all circumstances;

(e) each shareholder of the particular foreign affiliate is deemed to own, at the end of the year, that number of shares of the separate corporation that is equal to the product obtained by multiplying 100 by the amount that would be the aggregate participating percentage (as defined in section 580.1) of that shareholder in respect of the particular foreign affiliate for the year if

i. the particular foreign affiliate were a controlled foreign affiliate of that shareholder at the end of the year,

ii. the only shares of the capital stock of the particular foreign affiliate issued and outstanding at the end of the year were shares of tracking classes in respect of the tracked property and activities, and

iii. the only income, losses or gains of the particular foreign affiliate for the year were those referred to in subparagraph *b*; and

(*f*) any amount included or deducted by the taxpayer in computing the taxpayer's income under section 580 or 583, respectively, in respect of shares of the separate corporation is deemed to be an amount so included or deducted by the taxpayer in respect of shares of tracking classes held by the taxpayer or a foreign affiliate of the taxpayer, as the case may be.

“572.2.3. Where section 572.2.2 does not apply in respect of a foreign affiliate of a taxpayer for a taxation year of the affiliate, the affiliate is deemed to be a controlled foreign affiliate of the taxpayer throughout the year if, at a particular time in the year, a tracking interest in respect of the foreign affiliate or a partnership of which the foreign affiliate is a member is held by

(*a*) the taxpayer; or

(*b*) a person or partnership (in this paragraph referred to as a “holder”), if

i. the holder does not deal at arm's length with the taxpayer at the particular time,

ii. where either the taxpayer or the holder is a partnership and the other party is not, any member of the partnership does not deal at arm's length with the other party at the particular time, or

iii. where both the taxpayer and the holder are partnerships, the taxpayer or any member of the taxpayer does not deal at arm's length with the holder or any member of the holder at the particular time.”

(2) Subsection 1 applies to a taxation year of a foreign affiliate of a taxpayer that begins after 26 February 2018. However, section 572.2.2 of the Act does not apply to a taxation year of a foreign affiliate of a taxpayer that begins after 26 February 2018 and before 25 October 2018 if the taxpayer has made a valid election in accordance with subsection 7 of section 7 of the Budget Implementation Act, 2018, No. 2 (Statutes of Canada, 2018, chapter 27).

(3) Chapter V.2 of Title II of Book I of Part I of the Taxation Act applies in relation to an election made under subsection 7 of section 7 of the Budget Implementation Act, 2018, No. 2. However, for the application of section 21.4.7 of the Taxation Act to such an election, a taxpayer is deemed to have complied with a requirement of section 21.4.6 of the Act if the taxpayer complies with it on or before 29 November 2021.

47. (1) The Act is amended by inserting the following sections after section 580:

“580.1. For the purposes of this section and sections 580.2 and 580.3,

“aggregate participating percentage”, of a taxpayer in respect of a foreign affiliate of the taxpayer for a taxation year of the foreign affiliate, means the aggregate of all amounts, each of which is the participating percentage, in respect of the foreign affiliate, of a share of the capital stock of a corporation that is owned by the taxpayer at the end of the taxation year;

“connected partnership”, in respect of a particular taxpayer, means a partnership if, at or immediately after the particular time at which section 580.3 applies in respect of a foreign affiliate of the particular taxpayer,

(a) the particular taxpayer or a connected person in respect of the particular taxpayer is, directly or indirectly through one or more other partnerships, a member of the partnership; or

(b) where paragraph *a* does not apply,

i. the foreign affiliate is a foreign affiliate of the partnership at the particular time, and

ii. the aggregate participating percentage of the partnership in respect of the foreign affiliate for the foreign affiliate’s ordinary taxation year may reasonably be considered to have increased as a result of the triggering event that gave rise to the application of section 580.3;

“connected person”, in respect of a particular taxpayer, means a person that—at or immediately after the particular time at which section 580.3 applies in respect of a foreign affiliate of the particular taxpayer—is resident in Canada and

(a) does not deal at arm’s length with the particular taxpayer; or

(b) deals at arm’s length with the particular taxpayer, if

i. the foreign affiliate is a foreign affiliate of the person at the particular time, and

ii. the aggregate participating percentage of the person in respect of the foreign affiliate for the foreign affiliate’s ordinary taxation year may reasonably be considered to have increased as a result of the triggering event that gave rise to the application of section 580.3;

“excluded acquisition or disposition”, in respect of a taxation year of a foreign affiliate of a taxpayer, means an acquisition or disposition of an equity interest in a corporation, partnership or trust that can reasonably be considered to result in a change in the aggregate participating percentage of the taxpayer in respect of the foreign affiliate for the taxation year of the foreign affiliate, where

(a) the change in the aggregate participating percentage of the taxpayer is less than 1%; and

(b) it cannot reasonably be considered that one of the main reasons the acquisition or disposition occurs as a separate acquisition or disposition from one or more other acquisitions or dispositions is to avoid the application of section 580.3;

“triggering event” means

(a) an acquisition or disposition of an equity interest in a corporation, partnership or trust;

(b) a change in the terms or conditions of a share of the capital stock of a corporation or a right as a member of a partnership or as a beneficiary under a trust; or

(c) a disposition or change of a right referred to in paragraph *a* of section 598.

“580.2. For the purposes of this chapter and Chapter IV, the rules set out in section 580.3 apply at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada if

(a) an amount would be included under section 580 in computing the taxpayer’s income, in respect of a share of the particular foreign affiliate or another foreign affiliate of the taxpayer that has an equity percentage in the particular foreign affiliate, for the taxation year of the particular foreign affiliate (determined without reference to section 580.3) that includes the particular time (in this section and section 580.1 referred to as the “ordinary taxation year” of the particular foreign affiliate), if the ordinary taxation year of the particular foreign affiliate had ended at the particular time;

(b) immediately after the particular time, there is

i. an acquisition of control of the taxpayer, or

ii. a triggering event that can reasonably be considered to result in a change in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate;

(c) where subparagraph i of subparagraph *b* applies, the condition of paragraph *c* of subsection 1.1 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) is met in respect of the particular foreign affiliate; and

(d) where subparagraph ii of subparagraph *b* applies, none of the following is the case:

i. the change in the aggregate participating percentage referred to in subparagraph ii of subparagraph *b* is a decrease and is equal to the total of all amounts each of which is the increase—that can reasonably be considered to result from the triggering event—in the aggregate participating percentage of

another taxpayer, in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate, if the other taxpayer

(1) is a person resident in Canada, other than a person that is—or a trust, any of the beneficiaries under which is—exempt from tax under this Part, and

(2) is a person related to the taxpayer at the particular time, if the triggering event results from a winding-up of the taxpayer referred to in section 556, or immediately after the particular time, in any other case,

ii. the triggering event is on an amalgamation within the meaning of subsection 1 of section 544,

iii. the triggering event is an excluded acquisition or disposition, in respect of the ordinary taxation year of the particular foreign affiliate, and

iv. if one or more triggering events—all of which are described in subparagraph ii of subparagraph *b* and in respect of which none of the conditions of subparagraphs i to iii are met—occur in the ordinary taxation year of the particular foreign affiliate, the percentage determined by the following formula is not greater than 5%:

$A - B.$

In the formula in subparagraph iv of subparagraph *d* of the first paragraph,

(*a*) *A* is the total of all amounts each of which is the decrease—which can reasonably be considered to result from a triggering event described in subparagraph ii of subparagraph *b* of the first paragraph (other than a triggering event that meets the conditions of subparagraph i or ii of subparagraph *d* of the first paragraph)—in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate; and

(*b*) *B* is the total of all amounts each of which is the increase—which can reasonably be considered to result from a triggering event described in subparagraph ii of subparagraph *b* of the first paragraph (other than a triggering event that meets the conditions of subparagraph i or ii of subparagraph *d* of the first paragraph)—in the aggregate participating percentage of the taxpayer in respect of the particular foreign affiliate for the ordinary taxation year of the particular foreign affiliate.

“580.3. The rules to which section 580.2 refers in respect of a foreign affiliate of a particular taxpayer resident in Canada are as follows:

(*a*) in respect of the particular taxpayer and each connected person, or connected partnership, in respect of the particular taxpayer, the foreign affiliate’s taxation year that would, in the absence of this section, have included the

particular time referred to in section 580.2 is deemed to end at the time (in this chapter referred to as the “stub-period end time”) that is immediately before the particular time; and

(b) where the foreign affiliate is, immediately after the particular time referred to in section 580.2, a foreign affiliate of the particular taxpayer or a connected person, or connected partnership, in respect of the particular taxpayer, the foreign affiliate’s taxation year that follows the stub-period end time is deemed, in respect of the particular taxpayer or the connected person or connected partnership, as the case may be, to begin immediately after the particular time.

“580.4. Where the conditions of section 580.2 are not met at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada, section 580.3 applies in respect of the particular foreign affiliate at that time if the taxpayer and all specified corporations have made a valid election under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to have subsection 1.2 of that section 91 apply in respect of the disposition that is referred to in paragraph *b* of subsection 1.4 of that section 91 and that occurs immediately after the particular time.

For the purposes of the first paragraph, a specified corporation is a corporation that at or immediately after the particular time meets the following conditions:

- (a) the corporation is resident in Canada;
- (b) the corporation does not deal at arm’s length with the taxpayer; and
- (c) the particular foreign affiliate is a foreign affiliate of the corporation, or of a partnership of which the corporation is, directly or indirectly through one or more other partnerships, a member.

Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act.”

(2) Subsection 1 has effect from 12 July 2013. However, where the particular time referred to in section 580.2 of the Act is before 8 September 2017, sections 580.1 to 580.4 of the Act are, unless the taxpayer and all connected persons and connected partnerships, in respect of the taxpayer, within the meaning of section 580.1 of the Act, as enacted by this subsection, make a valid election for that purpose under subparagraph *i* of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2 (Statutes of Canada, 2017, chapter 33), to be read as follows:

“580.1. For the purposes of section 580.3, the following rules apply:

- (a) a corporation is connected to a particular taxpayer if, at or immediately after the particular time referred to in section 580.3, it is resident in Canada and does not deal at arm’s length with the taxpayer; and

(b) a partnership is connected to a particular taxpayer if, at or immediately after the particular time referred to in section 580.3, the particular taxpayer or a corporation described in paragraph *a* is, directly or indirectly through one or more other partnerships, a member of the partnership.

“580.2. For the purposes of this chapter and Chapter IV, the rules set out in section 580.3 apply at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada if

(a) an amount would be included under section 580 in computing the taxpayer’s income, in respect of a share of the particular foreign affiliate or another foreign affiliate of the taxpayer that has an equity percentage in the particular foreign affiliate, for the taxation year of the particular foreign affiliate (determined without reference to section 580.3) that includes the particular time, if that taxation year had ended at the particular time; and

(b) immediately after the particular time, there is an acquisition or disposition of shares of the capital stock of a foreign affiliate of the taxpayer that results in a change to the surplus entitlement percentage (within the meaning assigned to that expression by subsection 1 of section 95 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)) of the taxpayer in respect of the particular foreign affiliate (determined as if the taxpayer were a corporation resident in Canada), unless

i. the change is a decrease in the surplus entitlement percentage of the taxpayer (determined as if the taxpayer were a corporation resident in Canada) in respect of the particular foreign affiliate and, as a result of the acquisition or disposition, one or more taxpayers, each of which is a taxable Canadian corporation that does not deal at arm’s length with the taxpayer immediately after the particular time, have increases to their surplus entitlement percentages in respect of the particular foreign affiliate that are, in total, equal to the reduction in the taxpayer’s surplus entitlement percentage in respect of the particular foreign affiliate immediately after the particular time,

ii. the acquisition or disposition is on an amalgamation within the meaning of subsection 1 of section 544, or

iii. if one or more such acquisitions or dispositions in respect of which the conditions of subparagraphs i and ii are not met occur in a particular taxation year of the particular foreign affiliate (determined without reference to this section and section 580.3), the percentage determined by the following formula is not greater than 5%:

$$A - B.$$

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

(a) *A* is the total of all amounts each of which is the decrease in the surplus entitlement percentage of the taxpayer in respect of the particular foreign affiliate resulting from an acquisition or disposition described in subparagraph iii

of subparagraph *b* of the first paragraph in the particular taxation year (other than an acquisition or disposition described in subparagraph i or ii of that subparagraph *b*); and

(*b*) B is the total of all amounts each of which is the increase in the surplus entitlement percentage of the taxpayer in respect of the particular foreign affiliate resulting from an acquisition or disposition described in subparagraph iii of subparagraph *b* of the first paragraph in the particular taxation year (other than an acquisition from a person that does not deal at arm's length with the taxpayer).

“580.3. The rules to which section 580.2 refers in respect of a foreign affiliate of a particular taxpayer resident in Canada are as follows:

(*a*) in respect of the particular taxpayer and each corporation or partnership that is connected to the particular taxpayer, the foreign affiliate's taxation year that would, in the absence of this section, have included the particular time referred to in section 580.2 is deemed to end at the time (in this chapter referred to as the “stub-period end time”) that is immediately before the particular time; and

(*b*) where the foreign affiliate is, immediately after the particular time referred to in section 580.2, a foreign affiliate of the particular taxpayer or a corporation or partnership that is connected to the particular taxpayer, the foreign affiliate's taxation year that follows the stub-period end time is deemed, in respect of the particular taxpayer or the connected corporation or partnership, as the case may be, to begin immediately after the particular time.

“580.4. Where the conditions of section 580.2 are not met at a particular time in respect of a particular foreign affiliate of a taxpayer resident in Canada, section 580.3 applies in respect of the particular foreign affiliate at that time if the taxpayer and all specified corporations have made a valid election under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) to have subsection 1.2 of that section 91 apply in respect of the disposition that is referred to in paragraph *b* of subsection 1.4 of that section 91 and that occurs immediately after the particular time.

For the purposes of the first paragraph, a specified corporation is a corporation that at or immediately after the particular time meets the following conditions:

(*a*) the corporation is resident in Canada;

(*b*) the corporation does not deal at arm's length with the taxpayer; and

(*c*) the particular foreign affiliate is a foreign affiliate of the corporation, or of a partnership of which the corporation is, directly or indirectly through one or more other partnerships, a member.

Chapter V.2 of Title II of Book I applies in relation to an election made under paragraph *c* of subsection 1.4 of section 91 of the Income Tax Act.”

(3) For the application of section 21.4.7 of the Taxation Act to an election referred to in the first paragraph of section 580.4 and made before 2 June 2021, an elector is deemed to have complied with a requirement of section 21.4.6 of the Act if the elector complies with it on or before 29 November 2021.

(4) Where a taxpayer makes a valid election under subparagraph *i* of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2, section 580.2 of the Taxation Act, enacted by subsection 1, is to be read, in respect of an acquisition of control of the taxpayer that occurs before 8 September 2017, without reference to subparagraph *i* of subparagraph *b* of the first paragraph and subparagraph *c* of that paragraph.

(5) Where subsection 1 applies to a taxation year that begins before 8 September 2017, where a taxpayer makes, in respect of a particular time, in relation to a foreign affiliate, a valid election under subsection 1.5 of section 91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and where subsection 4 does not apply in respect of the taxpayer, section 580.3 of the Taxation Act applies at the particular time in relation to the particular foreign affiliate of the taxpayer.

(6) Chapter V.2 of Title II of Book I of Part I of the Taxation Act applies in relation to an election made under subparagraph *i* of paragraph *d* of subsection 4 of section 28 of the Budget Implementation Act, 2017, No. 2 or subsection 1.5 of section 91 of the Income Tax Act. However, for the application of section 21.4.7 of the Taxation Act to such an election made before 2 June 2021, an elector is deemed to have complied with a requirement of section 21.4.6 of the Act if the elector complies with it on or before 29 November 2021.

48. (1) Section 592.1 of the Act is amended by replacing subparagraph *d* of the second paragraph by the following subparagraph:

“(d) sections 572.2.1 to 572.2.3 and the provisions of Chapter I of Title III of Book V.”

(2) Subsection 1 has effect from 27 February 2018.

49. (1) Section 596 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) for the purposes of subparagraph *i* of paragraph *b* of the definition of “investment fund” in section 21.0.5, sections 440, 454 and 597.0.6, the definition of “Canadian partnership” in the first paragraph of section 599, paragraph *c* of section 692.5, the definition of “qualified disability trust” in the first paragraph of section 768.2, the definition of “eligible trust” in section 796.1 and paragraph *a* of section 1120;”.

(2) Subsection 1 has effect from 1 July 2015. However, where section 596 of the Act applies to a taxation year that ends before 1 January 2016, paragraph *b* of that section is to be read without reference to “, the definition of “qualified disability trust” in the first paragraph of section 768.2”.

50. (1) The Act is amended by inserting the following section after section 599:

“599.1. For the purposes of this chapter and Chapters II and II.1, a taxpayer includes a partnership.”

(2) Subsection 1 applies to a taxation year that ends after 26 February 2018.

51. (1) Section 613.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“Despite section 600, where a taxpayer is, at any time in a taxation year, a limited partner of a partnership, the amount by which the aggregate of all amounts each of which is the taxpayer’s share of the amount of any loss of the partnership for a fiscal period of the partnership ending in the taxation year from a business (other than a farming business) or from property, determined in accordance with section 600, exceeds the amount determined under the second paragraph must not be deducted in computing the taxpayer’s income for the year, must not be included in computing the taxpayer’s non-capital loss for the year, and

(*a*) where the taxpayer is not a partnership, is deemed to be the taxpayer’s limited partnership loss in respect of the partnership for the year; or

(*b*) where the taxpayer is a partnership, must reduce the taxpayer’s share of any loss of the partnership for a fiscal period of the partnership ending in the taxation year of the taxpayer from a business (other than a farming business) or from property.”

(2) Subsection 1 applies to a taxation year that ends after 26 February 2018.

52. The Act is amended by inserting the following section after section 613.1:

“613.1.1. Where the taxation year of a taxpayer ends after 26 February 2018, the following rules apply:

(*a*) for the purposes of sections 727 to 737, the taxpayer’s non-capital loss, or limited partnership loss in respect of a partnership, for a preceding taxation year must be determined as if section 599.1 and subparagraph *b* of the first paragraph of section 613.1 applied in respect of a taxation year that ends before 27 February 2018; and

(b) in computing the adjusted cost base of the taxpayer's interest in a partnership after 26 February 2018, the taxpayer shall add an amount equal to the portion of the amount that, because of paragraph *a*, must reduce the taxpayer's non-capital loss that can reasonably be considered to be attributable to the amount of a loss deducted under subparagraph *i* of paragraph *l* of section 257 in computing the adjusted cost base of that interest."

53. (1) Section 651 of the Act is replaced by the following section:

“651. For the purposes of the second paragraph of sections 440 to 441.2, paragraph *c* of section 454.1, the definition of “pre-1972 spousal trust” in section 652.1 and subparagraph *a* of the first paragraph of section 653, where a trust has been created by a taxpayer, no person is deemed to have received or otherwise obtained or to be entitled to receive or otherwise obtain enjoyment of any of the income or capital of the trust solely because

(a) the trust made a payment, or a provision for payment, of any duty by reason of the taxpayer's death or the death of the taxpayer's spouse who is a beneficiary under the trust, in respect of any property of, or interest in, the trust or any tax in respect of any income of the trust; or

(b) a particular individual inhabits, at a particular time, a housing unit that is, or is in respect of, property that is owned at the particular time by the trust, if

i. the property is described in the definition of “principal residence” in section 274.0.1 for the trust's taxation year that includes the particular time, and

ii. the particular individual is the taxpayer who created the trust or is the taxpayer's spouse, former spouse or child.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

54. (1) Section 652.1 of the Act is amended by replacing the definition of “excluded property” by the following definition:

““excluded property” has the meaning assigned by the second paragraph of section 691.1;”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

55. (1) Section 653 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

“653. A trust is, at the end of each of the following days, deemed to dispose of each property of the trust (other than exempt property) that is capital property or land included in the inventory of a business of the trust and to reacquire the property immediately after that day:”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

56. (1) Section 656.9 of the Act is amended by replacing the portion before paragraph *a* by the following:

“656.9. Where capital property, land included in inventory, Canadian resource property or foreign resource property is transferred at a particular time by a trust (in this section referred to as the “transferor trust”) to another trust (in this section referred to as the “transferee trust”) in circumstances in which subparagraph *b* of the second paragraph of section 248 or section 688 or 692.8 applies, the following rules apply:”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

57. (1) Section 691.1 of the Act is amended

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

“691.1. Despite section 688, the rules set out in section 688.1 apply where any particular property of a particular personal trust or a particular prescribed trust (other than an excluded property of the particular trust) is distributed by the particular trust to a taxpayer who is a beneficiary under the particular trust and where”;

(2) by adding the following paragraph at the end:

“For the purposes of the first paragraph, “excluded property” of a trust means property owned by the trust at, and distributed by the trust after, the end of 31 December 2016, if

(*a*) the trust was not, in its first taxation year that begins after 31 December 2016, a trust described in subparagraph *c.1* of the second paragraph of section 274.0.1; and

(*b*) the property is a property that would be the trust’s principal residence (within the meaning of section 274.0.1) for the taxation year in which the distribution occurs if

i. the second paragraph of section 274.0.1 were read without reference to its subparagraph *c.1*, and

ii. the trust designated the property, in accordance with section 274.0.1, as its principal residence for the taxation year.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016.

58. (1) Section 693 of the Act, amended by section 178 of chapter 14 of the statutes of 2019, is again amended, in the second paragraph,

(1) by replacing “, 726.35 and 726.43” by “and 726.43 to 726.43.2”;

(2) by inserting “737.18.44,” after “737.18.40”;

(3) by striking out “, 726.33, 726.34”.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in the second paragraph of section 693 of the Act, the reference to section 726.35 of the Act.

(3) Paragraph 2 of subsection 1 applies from 1 January 2021.

59. Section 693.2 of the Act is amended by replacing “Titles VI.10 and VI.11” in the portion before subparagraph *a* of the first paragraph by “Title VI.11”.

60. (1) Section 725.2 of the Act is amended

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

“725.2. An individual may deduct an amount equal to 25% of the amount of the benefit the individual is deemed to have received in a taxation year under section 49 or any of sections 50 to 52.1, in respect of a security that a particular qualifying person has agreed to sell or issue under an agreement referred to in section 48, in respect of the transfer or any other disposition of rights under the agreement, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire the security under the agreement, if”;

(2) by replacing paragraph *b.1* by the following paragraph:

“(b.1) the security was acquired under the agreement by the individual or a person not dealing at arm’s length with the individual in circumstances described in section 51 or, in the case of a benefit deemed to have been received by the individual under section 52.1, was acquired under the agreement, within the first taxation year of the individual’s succession that is a graduated rate estate, by that succession or by

i. a person who is a beneficiary, within the meaning of the second paragraph of section 646, under the individual’s succession that is a graduated rate estate, or

ii. a person in whom the rights of the individual under the agreement have vested as a consequence of the death; and”;

(3) by inserting the following subparagraph after subparagraph *i* of paragraph *c*:

“i.1. in the case of a benefit deemed to have been received by the individual under section 52.1, would have been referred to in clause A of subparagraph *i.1* of paragraph *d* of subsection 1 of section 110 of the Income Tax Act if it had

been issued or sold to the individual immediately before the death of the individual.”;

(4) by adding the following subparagraph at the end of paragraph *c*:

“iv. in the case of a benefit deemed to have been received by the individual under section 52.1, would have been a unit of a mutual fund trust if it had been issued or sold to the individual immediately before the death of the individual and if those units issued by the trust that were not identical to the security had not been issued.”

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010. However, where section 725.2 of the Act applies to a taxation year that ends before 1 January 2016, it is to be read as if “succession that is a graduated rate estate” were replaced wherever it appears in paragraph *b.1* by “succession”.

61. (1) Section 725.2.0.1 of the Act is amended by replacing “and iii” by “to iv”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

62. (1) Section 725.2.0.1.1 of the Act is amended by replacing “and iii” in the portion before paragraph *a* by “to iv”.

(2) Subsection 1 applies to any event, transaction or circumstance relating to a share that a corporation agreed to sell or issue under an agreement referred to in section 48 of the Act and entered into after 21 February 2017.

63. Title VI.10 of Book IV of Part I of the Act, comprising sections 726.30 to 726.37, is repealed.

64. (1) Section 726.42 of the Act is amended by replacing “2021” in the portion before the formula in the first paragraph by “2026”.

(2) Subsection 1 has effect from 10 March 2020.

65. (1) Section 726.43 of the Act is amended

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

“A taxpayer who deducted an amount in computing taxable income for a particular taxation year under section 726.42, all or part of which may reasonably be considered to derive from recognized commercial activities in respect of a private forest carried on before 10 March 2020 (the amount or part of the amount being in this section referred to as the “particular amount”), shall

include, in computing taxable income for each taxation year (in this paragraph referred to as an “inclusion year”) that is one of the six taxation years that follow the particular year, except a taxation year for which the taxpayer is required to include an amount in computing taxable income under subparagraph *a* of the first or second paragraph of section 726.43.2 in respect of the particular amount, an amount at least equal to 10% of the particular amount unless, for the inclusion year, that minimum amount is greater than the excess amount that corresponds to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in computing taxable income in respect of the particular amount under this section or subparagraph *a* of the first or second paragraph of section 726.43.2 for a taxation year preceding the inclusion year, in which case the taxpayer shall include the excess amount in computing taxable income for the inclusion year.”;

(2) by striking out the second, third, fourth and fifth paragraphs;

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

“The taxpayer to which the first paragraph refers shall include, in computing taxable income for the seventh taxation year that follows the particular year, an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, under this section or subparagraph *a* of the first or second paragraph of section 726.43.2, in computing taxable income, in respect of the particular amount, for a preceding taxation year.”

(2) Subsection 1 has effect from 10 March 2020.

66. (1) The Act is amended by inserting the following sections after section 726.43:

“726.43.1. A taxpayer who deducted an amount in computing taxable income for a particular taxation year under section 726.42, all or part of which may reasonably be considered to derive from recognized commercial activities in respect of a private forest carried on after 9 March 2020 (the amount or part of the amount being in this section referred to as the “particular amount”), shall include, in computing taxable income for each taxation year (in this paragraph referred to as an “inclusion year”) that is one of the nine taxation years that follow the particular year, except a taxation year for which the taxpayer is required to include an amount in computing taxable income under subparagraph *b* of the first or second paragraph of section 726.43.2 in respect of the particular amount, an amount at least equal to 10% of the particular amount unless, for the inclusion year, that minimum amount is greater than the excess amount that corresponds to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in computing taxable income in respect of the particular amount under this section or subparagraph *b* of the first or second paragraph of section 726.43.2

for a taxation year preceding the inclusion year, in which case the taxpayer shall include the excess amount in computing taxable income for the inclusion year.

The taxpayer to which the first paragraph refers shall include, in computing taxable income for the tenth taxation year that follows the particular year, an amount equal to the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, under this section or subparagraph *b* of the first or second paragraph of section 726.43.2, in computing taxable income, in respect of the particular amount, for a preceding taxation year.

“726.43.2. Where the particular amount referred to in the first paragraph of section 726.43 or 726.43.1 and determined in relation to a taxpayer for a particular taxation year is in respect of a single private forest, the taxpayer shall include, in computing taxable income for a taxation year described in the third paragraph (in this paragraph and the second paragraph referred to as the “year concerned”), an amount equal to

(*a*) where the particular amount is referred to in the first paragraph of section 726.43, the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, in computing taxable income, in respect of the particular amount, under section 726.43, for a taxation year preceding the year concerned; or

(*b*) where the particular amount is referred to in the first paragraph of section 726.43.1, the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included, in computing taxable income, in respect of the particular amount, under section 726.43.1, for a taxation year preceding the year concerned.

Where the particular amount referred to in the first paragraph of section 726.43 or 726.43.1 and determined in relation to a taxpayer for a particular taxation year is in respect of more than one private forest, the taxpayer shall include, in computing taxable income for a year concerned, an amount equal to

(*a*) where the particular amount is referred to in the first paragraph of section 726.43, the greater of the amount that the taxpayer should include in respect of the particular amount for the year concerned but for this paragraph and the lesser of the proportion, described in the fourth paragraph, of the particular amount and the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in respect of the particular amount in computing taxable income, under section 726.43 or this paragraph, for a taxation year preceding the year concerned; or

(*b*) where the particular amount is referred to in the first paragraph of section 726.43.1, the greater of the amount that the taxpayer should include in respect of the particular amount for the year concerned but for this paragraph and the lesser of the proportion, described in the fourth paragraph, of the

particular amount and the amount by which the particular amount exceeds the aggregate of all amounts each of which is an amount that the taxpayer included in respect of the particular amount in computing taxable income, under section 726.43.1 or this paragraph, for a taxation year preceding the year concerned.

A taxation year to which the first or second paragraph refers is, in the case of subparagraph *a* of that paragraph, one of the six taxation years that follow the particular year or, in the case of subparagraph *b* of that paragraph, one of the nine taxation years that follow the particular year, and

(*a*) the taxation year in which the taxpayer disposes of a private forest referred to in that paragraph;

(*b*) the taxation year in which ends a partnership's fiscal period in which the partnership disposes of a private forest referred to in that paragraph; or

(*c*) the taxation year in which the taxpayer ceases to be a member of a partnership referred to in section 726.42.

The proportion to which subparagraphs *a* and *b* of the second paragraph refer is the proportion that the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest in respect of which any of subparagraphs *a* to *c* of the third paragraph applies is of the aggregate of all amounts each of which is an amount referred to in subparagraph *a* or *c* of the second paragraph of section 726.42 for the particular year in relation to a private forest.”

(2) Subsection 1 has effect from 10 March 2020.

67. (1) Section 726.44 of the Act is amended by replacing “section 726.43” by “this chapter”.

(2) Subsection 1 has effect from 10 March 2020.

68. (1) Section 736.0.0.2 of the Act is amended by replacing the definition of “exchange rate” by the following definition:

““exchange rate” at a particular time in respect of a foreign currency means the rate of exchange between that currency and Canadian currency quoted by the Bank of Canada on the day that includes the particular time or, if that day is not a working day, on the day that immediately precedes that day, or a rate of exchange acceptable to the Minister;”.

(2) Subsection 1 has effect from 1 March 2017.

69. (1) Section 737.18 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and that the individual has included in computing income for the year, shall not include the portion of such an amount that is included in the part of the individual’s income for the year that may reasonably be considered to be earned in the part of the individual’s reference period, established under section 69 of the Act respecting international financial centres (chapter C-8.3), in relation to an employment that is included in the year;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

70. (1) Section 737.18.0.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and that was included by the individual in computing the individual’s income for the year, does not include the part of such an amount included in the amount determined in respect of the individual for the year under section 71 of the Act respecting international financial centres (chapter C-8.3); and”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

71. (1) Section 737.18.10.1 of the Act is amended

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

“**737.18.10.1.** Where, at a particular time included in an individual’s exemption period in relation to an employment held by the individual with an eligible employer, the individual, who was a foreign specialist for all or part of the taxation year that includes the particular time, acquired a right to a security under an agreement referred to in section 48 and, at a later time after the expiration of the exemption period, the individual is deemed to receive a

benefit in a particular taxation year by reason of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:";

(2) by adding the following paragraph at the end:

“(d) paragraph *a* of section 737.18.13 is to be read as if “in respect of a security, or the transfer or any other disposition of the rights under the agreement referred to in section 48” were replaced by “either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement”.”

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

72. (1) Section 737.18.32 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**737.18.32.** If, at a particular time included in a specified period of an individual in relation to an employment held by the individual with a qualified corporation (in this section referred to as the “initial specified period”), the individual, who was a foreign specialist for all or part of the taxation year that includes the particular time, acquired a right to a security under an agreement referred to in section 48 and, at a later time after the end of the initial specified period, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply:”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

73. (1) Section 737.18.35 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's

having, immediately before death, owned a right to acquire a security under such an agreement, and that the individual has included in computing income for the year, shall not include the portion of such an amount that is included in the part of the individual's income for the year that may reasonably be considered to be earned in the part of the individual's eligibility period in relation to an employment that is included in the year;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

74. (1) Section 737.18.39 of the Act is amended by replacing the first paragraph by the following paragraph:

“For the purposes of paragraph *a* of the definition of “qualified patented part” in the first paragraph of section 737.18.36, a corporation has made sustained innovation efforts in relation to an invention if the total of all amounts each of which is an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13 or in subparagraph *a* of the first paragraph of section 1029.8.19.13.1, reduced as provided in those sections and determined in relation to scientific research and experimental development work undertaken in the particular period described in the second paragraph by the corporation or by another corporation with which it is associated in the taxation year in which the work was undertaken and in respect of which the corporation or the other corporation, as the case may be, is deemed to have paid an amount to the Minister under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX is at least \$500,000.”

(2) Subsection 1 has effect from 10 March 2020.

75. Section 737.18.40 of the Act is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

“737.18.40. Subject to the third paragraph, a qualified manufacturing corporation for a taxation year that begins before 1 January 2021 may deduct in computing its taxable income for the year an amount not exceeding the product obtained by multiplying the annual percentage determined in its respect for the year under section 737.18.42 by the aggregate of all amounts each of which is equal, in respect of a qualified property of the corporation, to the lesser of”.

76. (1) The Act is amended by inserting the following Title after section 737.18.42:

“TITLE VII.2.8

“INCENTIVE DEDUCTION FOR THE COMMERCIALIZATION OF INNOVATIONS IN QUÉBEC

“737.18.43. In this Title,

“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;

“gross revenue from the commercialization of an asset” of a corporation for a taxation year means the portion of the corporation’s gross revenue for the year that is reasonably attributable to an establishment of the corporation situated in Québec and that consists of

(a) a payment (in this Title referred to as a “royalty”) for the use of or the right to use the asset;

(b) income from the sale, rental or lease of a property incorporating the asset;

(c) income from the provision of a service intrinsically linked to the asset; and

(d) an amount obtained as damages in the context of a remedy of a judicial nature relating to the asset;

“protected invention” of a corporation means an invention that meets either of the following conditions:

(a) the invention is covered by a valid patent or certificate of supplementary protection that was applied for after 17 March 2016 and of which the corporation is the holder under the Patent Act (Revised Statutes of Canada, 1985, chapter P-4) or any other Act having the same effect of a jurisdiction other than Canada; or

(b) the invention was the subject of an application for a patent or certificate of supplementary protection by the corporation, after 17 March 2016, in accordance with the requirements of an Act referred to in paragraph *a*, and a decision regarding the application is pending;

“protected plant variety” of a corporation means a new plant variety, within the meaning of section 2 of the Plant Breeders’ Rights Act (Statutes of Canada, 1990, chapter 20), that is originated, discovered or developed and that meets either of the following conditions:

(a) the plant variety is the subject of a valid certificate of plant breeder’s rights that was applied for after 10 March 2020 and of which the corporation is the holder under the Plant Breeders’ Rights Act or any other Act having the same effect of a jurisdiction other than Canada; or

(b) the plant variety was the subject of an application for a certificate of plant breeder’s rights by the corporation, after 10 March 2020, in accordance with the requirements of an Act referred to in paragraph *a*, and a decision regarding the application is pending;

“protected software” of a corporation means a computer program, within the meaning of section 2 of the Copyright Act (Revised Statutes of Canada, 1985, chapter 42), in respect of which the following conditions are met:

(a) the corporation is the holder of the copyright on the computer program under the Copyright Act or any other Act having the same effect of a jurisdiction other than Canada; and

(b) the creation date of the computer program is subsequent to 10 March 2020;

“qualified corporation” for a taxation year means a corporation, other than an excluded corporation, that, at a particular time in the year, has an establishment in Québec, carries on a business in Québec and earns income from the commercialization of a qualified intellectual property asset;

“qualified intellectual property asset” of a corporation means an incorporeal property that results from scientific research and experimental development activities carried on in whole or in part in Québec and that is

(a) a protected invention of the corporation;

(b) a protected plant variety of the corporation; or

(c) a protected software of the corporation.

“737.18.44. A qualified corporation for a particular taxation year may deduct, in computing its taxable income for the particular year, the aggregate of all amounts each of which is, in respect of a particular qualified intellectual property asset of the corporation (in this section referred to as the “particular asset”), an amount determined by the formula

$$\{[A \times (B/C)] - D\} \times E \times F.$$

In the formula in the first paragraph,

(a) A is the corporation's income for the particular year;

(b) B is the corporation's gross revenue from the commercialization of the particular asset for the particular year;

(c) C is the corporation's gross revenue for the particular year;

(d) D is the greater of

i. the amount determined by the formula

$$10\% \times \{G - [(H + I) \times (G/J)]\}, \text{ and}$$

ii. the amount determined by the formula

$$25\% \times [H \times (G/J)];$$

(e) E is, subject to the fourth paragraph, the quotient obtained by dividing by seven the total of all fractions each of which is determined, in respect of a year (in subparagraphs *e* and *f* of the third paragraph referred to as a "year concerned") that is either the particular year or any of the six preceding taxation years, by the formula

K/L ; and

(f) F is the rate determined by the formula

$$(M - N)/M.$$

In the formulas in the second paragraph,

(a) G is the amount by which the gross revenue from the commercialization of the corporation's particular asset for the particular year exceeds the aggregate of all amounts each of which is, in respect of the particular asset for the particular year, a royalty or an amount obtained as damages in the context of a remedy of a judicial nature;

(b) H is the corporation's income for the particular year;

(c) I is the amount of the expenditures of a current nature deducted in the particular year by the corporation under section 222;

(d) J is the corporation's gross revenue for the particular year;

(e) K is an amount equal to the lesser of the amount determined under subparagraph *f* for the year concerned and the total of

i. the aggregate of all amounts each of which is the amount of wages paid by the corporation and described in subparagraph *a* of the first paragraph of section 1029.7 for the year concerned,

ii. the aggregate of all amounts each of which is the portion of a consideration paid by the corporation and referred to in any of subparagraphs *b*, *b.1*, *d*, *d.1*, *f*, *f.1*, *h* and *h.1* of the first paragraph of section 1029.7 for the year concerned,

iii. 50% of the aggregate of all amounts, other than an amount described in subparagraph *iv*, each of which is the portion of a consideration paid by the corporation and referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.7 for the year concerned,

iv. 80% of the aggregate of all amounts each of which is the total or partial amount of an expenditure paid by the corporation and described in subparagraph *b* of the first paragraph of section 1029.8.6 for the year concerned, and

v. the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, are described in neither subparagraph *iii* nor subparagraph *iv* but would be described in either of those subparagraphs if all the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec;

(f) L is the greater of \$1 and the total of

i. the aggregate of the amounts that would be described in subparagraph *i* of subparagraph *e* for the year concerned if all the wages paid by the corporation in respect of scientific research and experimental development work had been paid to employees of an establishment situated in Québec,

ii. the aggregate of the amounts that would be described in subparagraph *ii* of subparagraph *e* for the year concerned if all the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec, and

iii. the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, would be described in subparagraph *iii* or *iv* of subparagraph *e* if all the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec;

(g) M is the basic rate determined in respect of the corporation for the particular year under section 771.0.2.3.1; and

(h) N is 2%.

Where a corporation has incurred an amount described in any of subparagraphs i to iii of subparagraph *f* of the third paragraph for the first time in the particular year or any of the five preceding taxation years, subparagraph *e* of the second paragraph is to be read as if “seven” were replaced by the number of taxation years included in the period that begins at the beginning of the taxation year in which the corporation first incurred such an amount and ends at the end of the particular year.

For the purposes of subparagraph *e* of the third paragraph, section 1029.7 is to be read without reference to subparagraphs i and ii of subparagraph *b* of its third paragraph.

A corporation may deduct an amount under the first paragraph in computing its taxable income for a taxation year only if it encloses, with the fiscal return it is required to file for the year under section 1000, the prescribed form containing prescribed information.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2020.

77. (1) Section 737.22 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual’s eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

78. (1) Section 737.22.0.0.4 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to

in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

79. (1) Section 737.22.0.0.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

80. (1) Section 737.22.0.4 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual's death and of the individual's having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual's eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

81. (1) Section 737.22.0.4.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual’s eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 has effect from 21 March 2012.

82. (1) Section 737.22.0.8 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual’s eligible income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

83. (1) Section 737.22.0.11 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) where the eligible individual has included in computing the eligible individual’s income for the year an amount that is the benefit the eligible individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the eligible individual’s death and of the eligible individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the amount determined in respect of the eligible individual for the year under section 737.22.0.10, the amount of the benefit is, for the purpose of computing the deduction provided for in section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

84. (1) Section 737.22.0.14 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) if the individual has included in computing income for the year an amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and the amount of the benefit is included in the individual’s work income for the year, in relation to an employment, the amount of the benefit is, for the purpose of computing the deduction under section 725.2, deemed to be nil;”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

85. (1) Section 737.27.1 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**737.27.1.** If an individual, in respect of whom the Minister of Transport issued a certificate certifying that the individual was an eligible seaman for a taxation year, acquired, at a particular time of that year that is included in a period specified in the certificate, a right to a security, under an agreement referred to in section 48, from the eligible shipowner whose name appears on the certificate or from a person with whom the eligible shipowner is not dealing at arm’s length and, at a later time, the individual is deemed to receive a benefit in a particular taxation year because of the application of any of sections 49 and 50 to 52.1, either in respect of the security or of the transfer or any other disposition of the rights under the agreement, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire the security under the agreement, the following rules apply for the purpose of determining the amount that the individual may deduct under section 737.28 in computing the individual’s taxable income for the particular year, in relation to the amount of that benefit:”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

86. (1) Section 737.28.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) for the purpose of computing the deduction under section 725.2, the amount that is the benefit the individual is deemed to receive in the year under any of sections 49 and 50 to 52.1, either in respect of a security or of the transfer or any other disposition of the rights under the agreement referred to in section 48, or as a consequence of the individual’s death and of the individual’s having, immediately before death, owned a right to acquire a security under such an agreement, and that was included by the individual in computing the individual’s income for the year, does not include the part of such an amount included in the amount determined in respect of the individual for the year under section 737.28; and”.

(2) Subsection 1 applies in respect of the acquisition of a security or the transfer or disposition of a right occurring after 4:00 p.m. Eastern Standard Time on 4 March 2010.

87. (1) The Act is amended by inserting the following sections after section 745.4:

“**745.5.** In computing the cost to a taxpayer, at any time, of an interest in a partnership that is property (other than capital property) of the taxpayer, there is to be deducted an amount equal to the aggregate of all amounts each of which is the taxpayer’s share of any loss of the partnership from the disposition by the partnership, or another partnership of which the partnership is directly or indirectly a member, of a share of the capital stock of a corporation (in this section and section 745.6 referred to as the “partnership loss”) in a fiscal period of the partnership that includes that time or a prior fiscal period, computed without reference to sections 741.2, 743 and 744.6, to the extent that the taxpayer’s share of the partnership loss has not previously reduced the taxpayer’s cost of the interest in the partnership because of the application of this section.

“**745.6.** For the purposes of section 745.5, where a taxpayer disposes of an interest in a partnership at a particular time, the taxpayer’s share of a partnership loss is to be computed as if

(a) the fiscal period of each partnership of which the taxpayer is directly or indirectly a member had ended immediately before the time that is immediately before the particular time;

(b) each share of the capital stock of a corporation that was the property of a partnership referred to in paragraph *a* at the particular time had been disposed of by the partnership immediately before the end of that fiscal period for proceeds of disposition equal to its fair market value at the particular time; and

(c) each member of a partnership referred to in paragraph *a* were allocated a share (determined by reference to the member's agreed proportion for the fiscal period referred to in paragraph *a*) of any loss (computed without reference to sections 741.2, 743 and 744.6) in respect of a disposition described in paragraph *b*.

“745.7. For the purposes of section 745.5, where a taxpayer (in this section referred to as the “transferee”) acquires an interest in a partnership at any time from another taxpayer (in this section referred to as the “transferor”), in computing the cost of the partnership interest to the transferee there is to be added an amount equal to the aggregate of all amounts each of which is an amount deducted from the transferor's cost of the partnership interest because of section 745.5, other than an amount to which section 741.2 would apply.”

(2) Subsection 1 has effect from 16 September 2016.

88. (1) Section 752.0.11.1 of the Act is amended by replacing paragraph *w* by the following paragraph:

“(w) on behalf of a person who is the holder of a medical document (as defined in subsection 1 of section 264 of the Cannabis Regulations made under the Cannabis Act (Statutes of Canada, 2018, chapter 16)) to support the person's use of cannabis for medical purposes, for the cost of cannabis, cannabis oil, cannabis plant seeds or cannabis products purchased for medical purposes from a holder of a licence for sale (as defined in that subsection 1).”

(2) Subsection 1 has effect from 17 October 2018.

89. (1) Section 767 of the Act is amended

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

“767. An individual, other than an individual referred to in the second paragraph of section 25 or 26, may deduct from the individual's tax otherwise payable under this Part for a taxation year the aggregate of”;

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of a dividend received after 31 December 2019.

90. (1) Section 771.1 of the Act is amended, in the first paragraph,

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

““specified farming or fishing income” of a particular corporation for a taxation year means the income of the particular corporation for the year (other than an amount included in computing the particular corporation's income

under section 795) from the sale of the farming products or fishing catches of the particular corporation's farming or fishing business to another corporation with which the particular corporation deals at arm's length;";

(2) by replacing the portion of paragraph *a* of the definition of "specified corporate income" before subparagraph *i* by the following:

"(a) the aggregate of all amounts each of which is the corporation's income from an eligible business for the year (other than its specified farming or fishing income for the year) from the provision of services or property to a private corporation (directly or indirectly, in any manner whatever) if".

(2) Subsection 1 applies to a taxation year that begins after 21 March 2016.

(3) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part I of the Act, make any assessments of a taxpayer's tax, interest and penalties as are necessary for any taxation year to give effect to subsections 1 and 2. Sections 93.1.8 and 93.1.12 of the Tax Administration Act (chapter A-6.002) apply to such assessments, with the necessary modifications.

91. Section 771.2.1.2.1 of the Act is amended by replacing the fifth paragraph by the following paragraph:

"For the purposes of subparagraph *a* of the first paragraph,

(a) where the number of days in the corporation's particular taxation year is less than 365, the number of remunerated hours determined in respect of the corporation's employees in the particular year is deemed to be equal to the product obtained by multiplying that number otherwise determined by the proportion that 365 is of the number of days in the particular year; and

(b) where the period that begins on 15 March 2020 and ends on 29 June 2020 (in this subparagraph referred to as the "period of closure") is included, in whole or in part, in the corporation's particular taxation year, the number of remunerated hours determined in respect of the corporation's employees in the particular year is deemed to be equal to the product obtained by multiplying that number, otherwise determined without reference to subparagraph *a*, by the proportion that 365 is of the amount by which the number of days in the particular year exceeds the number of days in the period of closure that are included in the particular year."

92. Section 771.2.1.2.2 of the Act is amended by adding the following paragraph at the end:

"For the purposes of the first paragraph, where the period that begins on 15 March 2020 and ends on 29 June 2020 (in this paragraph referred to as the "period of closure") is included, in whole or in part, in the partnership's fiscal period referred to in the first paragraph, the number of remunerated hours determined in respect of the partnership's employees in that fiscal period is

deemed to be equal to the product obtained by multiplying that number, otherwise determined, by the proportion that the number of days in the fiscal period is of the amount by which the number of days in the fiscal period exceeds the number of days in the period of closure that are included in the fiscal period.”

93. (1) Section 772.7 of the Act is amended, in subparagraph *b* of the first paragraph,

(1) by replacing “section 726.35, 726.43 or” in subparagraph *i* by “any of sections 726.43 to 726.43.2 and”;

(2) by striking out “726.33,” in subparagraph *ii*.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph *i* of subparagraph *b* of the first paragraph of section 772.7 of the Act, the reference to section 726.35 of the Act.

94. (1) Section 772.9 of the Act is amended, in subparagraph *ii* of paragraph *a*,

(1) by replacing “section 726.35, 726.43 or” in subparagraph 1 by “any of sections 726.43 to 726.43.2 and”;

(2) by striking out “726.33,” in subparagraph 2.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph 1 of subparagraph *ii* of paragraph *a* of section 772.9 of the Act, the reference to section 726.35 of the Act.

95. (1) Section 772.11 of the Act is amended, in subparagraph *ii* of subparagraph *a* of the second paragraph,

(1) by replacing “section 726.35, 726.43 or” in subparagraph 1 by “any of sections 726.43 to 726.43.2 and”;

(2) by striking out “726.33,” in subparagraph 2.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020, except where it strikes out, in subparagraph 1 of subparagraph *ii* of subparagraph *a* of the second paragraph of section 772.11 of the Act, the reference to section 726.35 of the Act.

96. Section 772.12 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the amount by which the corporation’s tax otherwise payable under this Part for the year exceeds any amount deducted under section 772.6 in computing the corporation’s tax payable under this Part for the year.”

97. Section 776.1.5.0.16 of the Act is amended by replacing paragraph *b* of the definition of “eligible individual” in the first paragraph by the following paragraph:

“(b) holds the eligible employment in the year and is resident in an eligible region throughout the period that begins at the end of 31 December of the last taxation year for which the individual may deduct an amount from the individual’s tax otherwise payable under this chapter, or is deemed to have paid an amount to the Minister on account of the individual’s tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, as it read before being repealed, and that ends at the end of 31 December of the year;”.

98. Section 776.1.5.0.17 of the Act is amended

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

“(2) the amount by which \$8,000 exceeds the aggregate of all amounts each of which is an amount that the individual has deducted from the individual’s tax otherwise payable under this chapter or is deemed to have paid to the Minister on account of the individual’s tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, as it read before being repealed, for a preceding taxation year, and”;

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

“(2) the amount by which \$10,000 exceeds the aggregate of all amounts each of which is either an amount that the individual has deducted from the individual’s tax otherwise payable under this chapter or is deemed to have paid to the Minister on account of the individual’s tax payable under Division II.20 of Chapter III.1 of Title III of Book IX, as it read before being repealed, for a preceding taxation year, or the amount determined for the year in accordance with subparagraph *i*.”

99. Title III.1 of Book V of Part I of the Act, comprising sections 776.1.5.1 to 776.1.5.6, is repealed.

100. (1) Section 779 of the Act is replaced by the following section:

“**779.** Except for the purposes of sections 752.0.2, 752.0.7.1 to 752.0.10 and 752.0.11 to 752.0.13.0.1, Division II of Chapter II.1 of Title I of Book V, Chapter V of Title III of Book V, the second paragraph of sections 776.41.14 and 776.41.21, sections 935.4 and 935.15 and Divisions II.8.3, II.11.1, II.11.7.2 to II.11.10, II.12.1 to II.17.1, II.17.3 to II.19 and II.25 to II.27 of Chapter III.1 of Title III of Book IX, the taxation year of a bankrupt is deemed to begin on the date of the bankruptcy and the current taxation year is deemed, if the bankrupt is an individual other than a succession that is a graduated rate estate, to end on the day immediately before the date of the bankruptcy.”

(2) Subsection 1 applies from the taxation year 2020. However, where section 779 of the Act applies

(1) to the taxation year 2020, it is to be read as if “II.11.4, II.11.5,” were inserted after “II.11.1.”; or

(2) before 2 June 2021, it is to be read as if “II.19” were replaced by “II.20”.

101. (1) The Act is amended by inserting the following Title after section 796:

“TITLE II.1

“CONTINUANCE OF THE CANADIAN WHEAT BOARD

“CHAPTER I

“INTERPRETATION AND GENERAL RULES

“796.1. In this Title,

“application for continuance” means the application for continuance referred to in paragraph *a* of the definition of “Canadian Wheat Board continuance”;

“Canadian Wheat Board” means the corporation referred to in subsection 1 of section 4 of the Canadian Wheat Board (Interim Operations) Act, enacted under section 14 of the Marketing Freedom for Grain Farmers Act (Statutes of Canada, 2011, chapter 25), as that section 4 read before being repealed, that is continued under the Canada Business Corporations Act (Revised Statutes of Canada, 1985, chapter 44) pursuant to the application for continuance;

“Canadian Wheat Board continuance” means the series of transactions or events that includes

(*a*) the application for continuance under the Canada Business Corporations Act that is

i. made by the corporation referred to in subsection 1 of section 4 of the Canadian Wheat Board (Interim Operations) Act, as it read before being repealed, and

ii. approved by the Minister of Agriculture and Agri-Food of Canada under Part 3 of the Marketing Freedom for Grain Farmers Act;

(*b*) the issuance of a note or other evidence of indebtedness by the Canadian Wheat Board to the eligible trust; and

(*c*) the disposition of the eligible debt by the eligible trust, in the same taxation year of the trust in which the eligible debt is issued to it, in exchange for consideration that includes the issuance of shares by the Canadian Wheat

Board that have a total fair market value at the time of their issuance that is equal to the amount by which the principal amount of the eligible debt exceeds \$10,000,000;

“eligible debt” means a note or other evidence of indebtedness referred to in paragraph *b* of the definition of “Canadian Wheat Board continuance”;

“eligible share” means a common share of the capital stock of the Canadian Wheat Board that is issued in exchange for the eligible debt in accordance with paragraph *c* of the definition of “Canadian Wheat Board continuance”;

“eligible trust”, at a particular time, means a trust that meets the following conditions:

- (a) it was established in connection with the application for continuance;
- (b) it is resident in Canada at the particular time;
- (c) immediately before it acquired the eligible debt, it held only property of nominal value;
- (d) it is not exempt, in accordance with Book VIII, from tax on its taxable income for any period in its taxation year that includes the particular time;
- (e) all of the interests of beneficiaries under the trust at the particular time are described by reference to units that are eligible units in the trust;
- (f) the only persons who have acquired an interest as a beneficiary under the trust before the particular time are persons who were participating farmers at the time they acquired the interest;
- (g) all or substantially all of the fair market value of its property at the particular time is based on the value of property that is
 - i. eligible debt,
 - ii. shares of the capital stock of the Canadian Wheat Board, or
 - iii. property described in paragraph *a* or *b* of the definition of “qualified investment” in section 204 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or a deposit with a savings and credit union;
- (h) the property that it has paid or distributed at or before the particular time to a beneficiary under the trust in satisfaction of the beneficiary’s eligible unit in the trust is
 - i. money denominated in Canadian dollars, or
 - ii. shares distributed as an eligible wind-up distribution of the trust; and

(i) at no time in its taxation year that includes the particular time is any other trust an eligible trust;

“eligible unit”, in a trust at a particular time, means a unit that describes all or part of an interest as a beneficiary under the trust, where

(a) the total of all amounts each of which is the value of a unit at the time it was issued by the trust to a participating farmer does not exceed the amount by which the principal amount of the eligible debt exceeds \$10,000,000; and

(b) all of the interests as a beneficiary under the trust are fixed interests, as defined in section 21.0.5, in the trust;

“eligible wind-up distribution”, of a trust, means a distribution of property by the trust to a person where

(a) the distribution includes a share of the capital stock of the Canadian Wheat Board that is listed on a designated stock exchange;

(b) the only property (other than a share described in paragraph *a*) distributed by the trust on the distribution is money denominated in Canadian dollars;

(c) the distribution results from the disposition of all of the person’s interests as a beneficiary under the trust; and

(d) the trust ceases to exist immediately after the distribution or immediately after the last of a series of eligible wind-up distributions (determined without reference to this paragraph) of the trust that includes the distribution;

“participating farmer”, in respect of a trust at a particular time, means a person who

(a) is eligible to receive units of the trust pursuant to the plan under which the trust directs its trustees to grant units to persons who have delivered grain after 31 July 2013 under a contract with the Canadian Wheat Board; and

(b) is engaged in the production of grain or is entitled, as lessor, vendor or hypothecary creditor or mortgagee, to grain produced by a person engaged in the production of grain or to any share of that grain;

“person” includes a partnership.

“796.2. Where, at a particular time, an eligible trust acquires eligible debt, the principal amount of the eligible debt is deemed not to be included in computing the income of the eligible trust for its taxation year that includes the particular time.

“796.3. Where, at a particular time, an eligible trust disposes of eligible debt in exchange for consideration that includes the issuance of eligible shares, the following rules apply:

(a) for the purpose of computing the income of the eligible trust for its taxation year that includes that time

i. an amount, in respect of the disposition of the eligible debt, equal to the fair market value of all property (other than eligible shares) received on the exchange is included,

ii. no amount in respect of the disposition of the eligible debt is included (other than an amount described in subparagraph i), and

iii. no amount in respect of the receipt of the eligible shares is included;

(b) the cost to the eligible trust of each eligible share is deemed to be nil;

(c) in computing the paid-up capital in respect of the class of the capital stock of the Canadian Wheat Board that includes the eligible shares, at a particular time after the shares are issued, an amount equal to the amount of the paid-up capital in respect of that class at the time the shares are issued must be deducted;

(d) section 467 does not apply in respect of property

i. that is held by the trust in a taxation year that ends at or after the particular time, and

ii. that is received by the trust on the exchange or is a substitute for property described in subparagraph i; and

(e) sections 505, 506 and 508 and Divisions I to IV.2 of Chapter IV of Title IX do not apply at the particular time in respect of eligible shares.

“796.4. Where a trust is an eligible trust at a particular time in a taxation year, the following rules apply:

(a) in computing the trust’s income for the year, no deduction may be made under paragraph *a* of section 657 or section 657.1, except to the extent of the income of the trust for the year (determined without reference to that paragraph or section) that is paid in the year, provided that the trust is an eligible trust at the beginning of the following taxation year;

(b) each property held by the trust that is an eligible debt or an eligible share is deemed to have a cost amount to the trust of nil;

(c) if the trust disposes of a property, the following rules apply:

i. subject to section 796.14, it is deemed to have disposed of the property for proceeds equal to the fair market value of the property immediately before the disposition,

ii. the gain, if any, of the trust from the disposition is deemed not to be a capital gain and must be included in computing the trust's income for the trust's taxation year that includes the time of disposition, and

iii. the loss, if any, of the trust from the disposition is deemed not to be a capital loss and must be deducted in computing the trust's income for the trust's taxation year that includes the time of disposition;

(d) the trust is deemed not to be a

i. personal trust,

ii. unit trust,

iii. trust prescribed for the purposes of section 688, or

iv. trust any interest in which is an excluded right or interest for the purposes of Chapter I of Title I.1; and

(e) subparagraph *d* of the second paragraph of section 248 does not apply in respect of eligible units in the trust.

“796.5. Where, at a particular time, a participating farmer acquires an eligible unit in an eligible trust from the eligible trust, the following rules apply:

(a) no amount in respect of the acquisition of the eligible unit is included in computing the income of the participating farmer; and

(b) the cost amount to the participating farmer of the eligible unit is deemed to be nil.

“796.6. Where a participating farmer has not received, immediately before the participating farmer's death, an eligible unit in an eligible trust for which the participating farmer was eligible—pursuant to the plan under which the eligible trust directs its trustees to grant units to persons who have delivered grain after 31 July 2013 under a contract with the Canadian Wheat Board—and the eligible trust issues the unit to the succession that arose on and as a consequence of the death, the following rules apply:

(a) the participating farmer is deemed to have acquired the unit at the time that is immediately before the time that is immediately before the death, as a participating farmer from the eligible trust, and to own the unit at the time that is immediately before the death;

(b) for the purposes of paragraph *f* of the definition of “eligible trust” in section 796.1, the succession is deemed not to have acquired the unit from the trust; and

(c) for the purposes of subparagraph *c* of the first paragraph of section 796.8 and the second paragraph of that section, the succession is deemed to have acquired the eligible unit on and as a consequence of the death.

“796.7. Where a person disposes of an eligible unit in a trust that is an eligible trust at the time of the disposition, the following rules apply:

(a) the gain, if any, of the person from the disposition is deemed not to be a capital gain and must be included in computing the person’s income for the person’s taxation year that includes the time of disposition; and

(b) the loss, if any, of the person from the disposition is deemed not to be a capital loss and must be deducted in computing the person’s income for the person’s taxation year that includes the time of disposition.

“796.8. Where, immediately before an individual’s death, the individual owns an eligible unit that the individual acquired as a participating farmer from an eligible trust, the following rules apply:

(a) the individual is deemed to dispose of the eligible unit immediately before death (such a disposition being referred to in this section as the “particular disposition”);

(b) where the conditions of the second paragraph are met, the following rules apply:

i. the individual’s gain from the disposition is deemed to be nil,

ii. the cost amount to the succession of the eligible unit is deemed to be nil,

iii. any amount that is included in computing the succession’s income (determined without reference to this subparagraph, paragraphs *a* and *b* of section 657 and section 657.1) for a taxation year from a source that is an eligible unit is, despite section 652, deemed to have become payable in that taxation year by the succession to the spouse, and not to have become payable to any other beneficiary,

iv. the distribution is deemed to be a disposition by the succession of the eligible unit for proceeds equal to the cost amount to the succession of the unit,

v. the part of the spouse’s interest as a beneficiary under the succession that is disposed of as a result of the distribution is deemed to be disposed of for proceeds of disposition equal to the cost amount to the spouse of that part immediately before the disposition,

vi. the cost amount to the spouse of the eligible unit is deemed to be nil, and

vii. the spouse is deemed to have acquired the eligible unit as a participating farmer from the eligible trust, except for the purposes of the second paragraph; and

(c) where not all the conditions of the second paragraph are met, the following rules apply:

i. the individual's proceeds from the particular disposition are deemed to be equal to the fair market value of the unit immediately before the particular disposition,

ii. the gain from the particular disposition is deemed to be included, under section 428 and not under any other provision, in computing the individual's income for the individual's taxation year in which the individual dies,

iii. section 1032 applies in respect of the deceased individual in relation to the particular disposition as if a reference in that section to sections 433 to 435 included a reference to section 428 in the application of section 1032 to the gain from the particular disposition, and

iv. the person who acquires the eligible unit as a consequence of the individual's death is deemed to have acquired the eligible unit at the time of the death at a cost equal to the individual's proceeds, described in subparagraph i, from the particular disposition.

The conditions to which subparagraphs *b* and *c* of the first paragraph refer are as follows:

(a) the individual is resident in Canada immediately before the individual's death;

(b) the individual's succession that is a graduated rate estate acquires the eligible unit on and as a consequence of the death;

(c) the individual's legal representative makes a valid election under subparagraph iii of paragraph *c* of subsection 8 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) that paragraph *b* of that subsection 8 not apply to the individual in respect of the particular disposition;

(d) the succession distributes the eligible unit to the individual's spouse at a time at which the succession is the individual's succession that is a graduated rate estate;

(e) the individual's spouse is resident in Canada at the time of the distribution; and

(f) the succession does not dispose of the unit before the distribution.

Chapter V.2 of Title II of Book I applies in relation to an election referred to in subparagraph *c* of the second paragraph.

“796.9. Where an eligible unit in an eligible trust that was acquired by a participating farmer from the eligible trust is disposed of by the participating farmer (otherwise than under a disposition described in subparagraph *a* of the first paragraph of section 796.8, paragraph *d* of section 796.10 or paragraph *b* of section 796.11), the following rules apply:

(*a*) the participating farmer’s proceeds from the disposition are deemed to be equal to the fair market value of the unit immediately before the disposition;

(*b*) where the disposition results in a distribution of money denominated in Canadian dollars by the trust to the participating farmer in a taxation year of the trust, the money is proceeds from the disposition in that taxation year of other property of the trust and, at the time of the disposition, the participating farmer is not a person described in any of clauses A to C of subparagraph ii of paragraph *b* of subsection 4 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the trust’s gain, if any, from the disposition of the other property is reduced to the extent that the proceeds of disposition so distributed would, in the absence of this paragraph, be included under section 663 in computing the participating farmer’s income for the taxation year of the participating farmer in which the taxation year of the trust ends; and

(*c*) where the participating farmer is a Canadian-controlled private corporation, the gain from the disposition is, for the purposes of Title II of Book V, deemed to be income from an eligible business.

“796.10. Where, at a particular time, an eligible trust distributes property as an eligible wind-up distribution of the trust to a person, the following rules apply:

(*a*) section 688.1 does not apply in respect of the distribution;

(*b*) the trust is deemed to have disposed of the property for proceeds of disposition equal to its fair market value at the particular time;

(*c*) despite section 652, the trust’s gain from the disposition of the property is deemed to have become payable at the particular time by the trust to the person, and not to have become payable to any other beneficiary;

(*d*) the person is deemed to have acquired the property at a cost equal to the trust’s proceeds from the disposition;

(*e*) the person’s proceeds from the disposition of the eligible unit, or part of it, that results from the distribution are deemed to be equal to the cost amount of the unit to the person immediately before the particular time; and

(*f*) no part of the trust’s gain from the disposition of the property is to be included in the cost to the person of the property, other than as determined by paragraph *d*.

“796.11. Where a trust ceases to be an eligible trust at a particular time, the following rules apply:

(a) section 999.1 applies to the trust as if

i. it ceased at the particular time to be exempt from tax under this Part on its taxable income, and

ii. paragraph *e* of that section included a reference to the provisions of this Title; and

(b) each person who holds at the particular time an eligible unit in the trust is deemed to

i. dispose of, at the time that is immediately before the time that is immediately before the particular time, each of the eligible units for proceeds equal to the cost amount of the unit to the person, and

ii. reacquire the eligible unit at the time that is immediately before the particular time at a cost equal to the fair market value of the unit at the time that is immediately before the particular time.

“796.12. Where, at a particular time, the eligible trust holds an eligible share (or another share of the Canadian Wheat Board acquired before the particular time as a stock dividend) and the Canadian Wheat Board issues, as a stock dividend paid in respect of such a share, a share of a class of its capital stock, the amount by which the paid-up capital is increased—in respect of the issuance of all shares paid by the Canadian Wheat Board to the eligible trust as a stock dividend or any other stock dividend paid to other shareholders in connection with that stock dividend—for all classes of shares of the Canadian Wheat Board is, for the purposes of this Act, deemed to be no more than \$1.

“796.13. The rules set out in section 796.14 apply in respect of the disposition by an eligible trust of all of the shares (in this section and section 796.14 referred to collectively as the “old shares” and individually as an “old share”) of a class of the capital stock of the Canadian Wheat Board owned by the eligible trust where

(a) the disposition of the old shares results from the acquisition, cancellation or redemption in the course of a reorganization of the capital of the Canadian Wheat Board;

(b) the Canadian Wheat Board issues to the eligible trust, in exchange for the old shares, shares (in this section and section 796.14 referred to collectively as the “new shares” and individually as a “new share”) of a class of the capital stock of the Canadian Wheat Board the terms and conditions of which—including the entitlement to receive an amount on an acquisition, cancellation or redemption—are in all material respects the same as those of the old shares;

(c) the amount that is the total fair market value of all of the new shares acquired by the eligible trust on the exchange is equal to the total fair market value of all of the old shares disposed of by the eligible trust; and

(d) the amount that is the total paid-up capital in respect of all of the new shares acquired by the eligible trust on the exchange is equal to the amount that is the total paid-up capital in respect of all of the old shares disposed of on the exchange.

“796.14. The rules to which section 796.13 refers in respect of an eligible trust’s exchange of an old share for a new share are as follows:

(a) the old share is deemed to be disposed of by the eligible trust for proceeds of disposition equal to its cost amount to the eligible trust;

(b) the new share acquired for the old share referred to in paragraph *a* is deemed to be acquired for a cost equal to the amount referred to in that paragraph;

(c) where the old share is an eligible share, the new share is deemed to be an eligible share; and

(d) where new shares are deemed to be eligible shares because of paragraph *c* and those shares are included in a class that includes other shares that are not eligible shares, those eligible shares are deemed to have been issued in a separate series of the class and the other shares are deemed to have been issued in a separate series of the class.

“796.15. Where a trust is deemed to cease, at a particular time, to be an eligible trust under paragraph *b* of subsection 16 of section 135.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), it is deemed to cease, at the particular time, to be an eligible trust for the purposes of this Title.”

(2) Subsection 1 has effect from 1 July 2015. However, where section 796.8 of the Act applies before 31 December 2015, it is to be read as if “succession that is a graduated rate estate” in subparagraphs *b* and *d* of the second paragraph were replaced by “succession”.

102. Section 832.25 of the Act is amended by replacing the portion before paragraph *a* by the following:

“832.25. For the purposes of sections 6.2, 21.2 to 21.3.1, 83.0.3, 93.3.1 and 93.4, Division X.1 of Chapter III of Title III of Book III, sections 175.9, 222 to 230.0.0.2, 237 to 238.1, 308.0.1 to 308.6, 384, 384.4, 384.5, 418.26 to 418.30 and 485 to 485.18, paragraph *d* of section 485.42, sections 564.2 to 564.4.2 and 727 to 737 and paragraph *f* of section 772.13, control of an insurance corporation and each corporation controlled by it is deemed not to be acquired solely because of the acquisition of shares of the capital stock of the insurance

corporation, in connection with the demutualization of the insurance corporation, by a particular corporation that at a particular time becomes a holding corporation in connection with the demutualization where, immediately after the particular time.”

103. (1) Section 851.36 of the Act is amended by replacing “64%” in subparagraph *a* of the first paragraph by “60%”.

(2) Subsection 1 applies from the taxation year 2016.

104. (1) Section 851.37 of the Act is amended by replacing “64%” in paragraph *a* by “60%”.

(2) Subsection 1 applies from the taxation year 2016.

105. (1) Section 935.1 of the Act is amended, in the first paragraph,

(1) by replacing “\$25,000” in paragraph *h* of the definition of “regular eligible amount” and in paragraph *g* of the definition of “supplemental eligible amount” by “\$35,000”;

(2) by adding the following paragraph at the end of the definition of “excluded withdrawal”:

“(d) a particular amount, other than an eligible amount, received while the individual was resident in Canada and in a calendar year if

i. the particular amount would be a regular eligible amount if section 935.2.1 were read without reference to subparagraph iii of its paragraph *a*,

ii. a payment, other than an excluded premium, equal to the particular amount is made by the individual under a retirement plan that is, at the end of the taxation year of the payment, a registered retirement savings plan under which the individual is the annuitant, and

iii. the payment is made before the end of the second calendar year after the calendar year that includes the particular time referred to in section 935.2.1;”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2019 in respect of an amount received after 19 March 2019.

(3) Paragraph 2 of subsection 1 applies in respect of an amount received after 31 December 2019.

106. (1) The Act is amended by inserting the following section after section 935.2:

“935.2.1. For the purposes of the definition of “regular eligible amount” in the first paragraph of section 935.1 and despite subparagraph *a.1* of the first paragraph of section 935.2, the following rules apply:

(*a*) an individual and the individual’s spouse are deemed not to have an owner-occupied home in a period ending before the particular time referred to in the definition of that expression if

i. at the particular time, the individual has been living separate and apart from the individual’s spouse, because of a breakdown of their marriage, for a period of at least 90 days and began living separate and apart from the individual’s spouse in the calendar year that includes the particular time or at any time included in any of the four preceding calendar years,

ii. in the absence of this section, the individual would not be precluded from having a regular eligible amount because of the application of paragraph *f* of the definition of that expression in respect of a spouse (other than the spouse referred to in subparagraph *i*), and

iii. where the individual has an owner-occupied home at the particular time,

(1) the home is not the qualifying home referred to in the definition of that expression and the individual disposes of the home no later than the end of the second calendar year after the calendar year that includes the particular time, or

(2) the individual acquires the spouse’s right in the home; and

(*b*) where an individual to whom paragraph *a* applies has an owner-occupied home at the particular time referred to in that paragraph and the individual acquires the spouse’s right in the home, the individual is deemed for the purposes of paragraphs *c* and *d* of the definition of that expression to have acquired a qualifying home on the date that the individual acquired the right.”

(2) Subsection 1 applies in respect of an amount received after 31 December 2019.

107. (1) Section 935.3 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) the aggregate of all amounts, other than excluded premiums, repayments to which paragraph *b* or *d* of the definition of “excluded withdrawal” in the first paragraph of section 935.1 applies and amounts paid by the individual in the first 60 days of the year that can reasonably be considered to have been deducted in computing the individual’s income, or designated under this section, for the preceding taxation year, paid by the individual in the year or within 60 days after the end of the year under a retirement savings plan that is at the

end of the year or the following taxation year a registered retirement savings plan under which the individual is the annuitant; and”.

(2) Subsection 1 applies in respect of a repayment made after 31 December 2019.

108. (1) Section 935.12 of the Act is amended by replacing paragraph *b* of the definition of “excluded premium” in the first paragraph by the following paragraph:

“(b) was a repayment to which paragraph *b* or *d* of the definition of “excluded withdrawal” in the first paragraph of section 935.1 applies;”.

(2) Subsection 1 applies in respect of a repayment made after 31 December 2019.

109. (1) The Act is amended by inserting the following section after section 935.24:

“**935.24.1.** Where tax is payable under this Part for a taxation year because of section 935.22 by a trust that is governed by a tax-free savings account that carries on a business at any time in the taxation year, the following rules apply:

(a) the holder of the tax-free savings account is solidarily liable with the trust to pay each amount payable under this Act by the trust that is attributable to that business; and

(b) the liability of the issuer, within the meaning of subsection 1 of section 146.2 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), at any time for amounts payable under this Act in respect of that business must not exceed the aggregate of

i. the amount of property of the trust that the issuer is in possession or control of at that time in its capacity as legal representative of the trust, and

ii. the total amount of all distributions of property from the trust on or after the date that the notice of assessment was sent in respect of the taxation year and before that time.”

(2) Subsection 1 applies from the taxation year 2019.

110. The Act is amended by inserting the following section after section 961.1.5.0.2:

“**961.1.5.0.3.** The minimum amount under a retirement income fund for the taxation year 2020 is 75% of the amount that would, but for this section, be the minimum amount under the fund for that year.

The first paragraph does not apply in respect of a retirement income fund for the purposes of section 961.17.0.1, paragraph *k* of the definition of “remuneration” in section 1015R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) and subparagraph *a* of the second paragraph of section 1015R21 of that regulation.”

III. (1) The Act is amended by inserting the following section after section 965.0.24:

“965.0.24.1. Where a member of a pooled registered pension plan or an employer in relation to the plan has, at any time in a taxation year, received a distribution from the member’s account under the plan that is a return of a contribution described in clause A or B of subparagraph ii of paragraph *d* of subsection 3 of section 147.5 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), the contribution is deemed not to be a contribution made by the member or the employer, as the case may be, to the plan to the extent that the contribution is not deducted in computing the member’s or the employer’s income, as the case may be, for the year or a preceding taxation year.”

(2) Subsection 1 has effect from 14 December 2012.

II2. (1) Section 967 of the Act is amended by replacing paragraph *d* by the following paragraph:

“(d) a policyholder with an interest in a life insurance policy issued after 31 December 2016 that gives rise to an entitlement of the policyholder (as a policyholder, beneficiary or assignee, as the case may be) to receive all or a portion of an excess described in subparagraph iv is deemed, at a particular time, to dispose of a part of the interest and to be entitled to receive proceeds of the disposition equal to all or a portion of that excess, as the case may be, if

i. the policy is an exempt policy,

ii. a death benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), under a coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of that section 92.11R1, under the policy is paid at the particular time,

iii. the payment referred to in subparagraph ii results in the termination of the coverage but not the policy, and

iv. the amount of the fund value benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, paid in respect of the coverage at the particular time exceeds

(1) in the case where there is no policy anniversary, within the meaning of section 92.11R1 of that Regulation, before the date of death of the individual whose life is insured under the coverage, the amount that would be determined—

on the policy anniversary that is on or that first follows that date of death, as the case may be, and as though the coverage were not terminated—in respect of the coverage under subparagraph 1 of subparagraph *i* of subparagraph *b* of the second paragraph of section 92.19R4 of that Regulation, or

(2) in any other case, the amount that is determined—on the last policy anniversary before the date of death of the individual whose life is insured under the coverage—in respect of the coverage under subparagraph 1 of subparagraph *i* of subparagraph *b* of the second paragraph of section 92.19R4 of that Regulation as that subparagraph 1 applies in respect of subparagraph *ii* of subparagraph *b* of the first paragraph of section 92.19R1 of that Regulation.”

(2) Subsection 1 has effect from 14 December 2017.

113. (1) Section 967.1 of the Act is amended by replacing the portion before paragraph *b* by the following:

“**967.1.** For the purpose of determining, as of a particular time, whether a life insurance policy (other than an annuity contract) issued before 1 January 2017 is treated as issued after 31 December 2016 for the purposes of this Title (except this section), Divisions I, II and IV of Chapter IV of Title XI of the Regulation respecting the Taxation Act (chapter I-3, r. 1) (except sections 92.19R6.3 and 92.19R6.4) and Chapter VIII of Title XXXV of that Regulation, the policy is deemed to be a policy issued at the particular time if the particular time is the first time after 31 December 2016 at which life insurance—in respect of a life, or two or more lives jointly insured, and in respect of which a particular schedule of premium or cost of insurance rates applies—is

(*a*) if the life insurance policy is a term insurance policy, converted to permanent life insurance within the policy; or”.

(2) Subsection 1 has effect from 14 December 2017. In addition, where section 967.1 of the Act applies after 15 December 2014 and before 14 December 2017, it is to be read as if “(except section 92.19R6.3)” were inserted after “(chapter I-3, r. 1)” in the portion before paragraph *a*.

114. (1) Section 976.0.2 of the Act is amended

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

“**976.0.2.** For the purposes of paragraph *i* of section 336 and sections 976 and 976.0.1, a particular amount is deemed to be a repayment made immediately before a particular time by a taxpayer in respect of a policy loan in respect of a life insurance policy if”;

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

“(b) the taxpayer disposes of a part of the taxpayer’s interest in the policy at the particular time;”.

(2) Subsection 1 has effect from 14 December 2017.

115. (1) Section 976.1 of the Act is amended by replacing paragraph *j* by the following paragraph:

“(j) in the case of a policy that is issued after 31 December 2016 and is not an annuity contract, if a death benefit, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, under a coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of that section 92.11R1, under the policy is paid before that time as a consequence of the death of an individual whose life was insured under the coverage (and, in the case where the particular time at which the policy is issued is determined under section 967.1, at or after that latter particular time) and the payment results in the termination of the coverage, the amount determined under section 976.2 with respect to the coverage.”

(2) Subsection 1 has effect from 14 December 2017.

116. (1) Section 976.2 of the Act is amended by replacing subparagraphs *b* to *f* of the second paragraph by the following subparagraphs:

“(b) B is the amount of the fund value of the policy, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1), paid in respect of the coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of section 92.11R1 of that Regulation, on the termination;

“(c) C is the aggregate of all amounts—each of which is an amount in respect of a coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act, in respect of a specific life or two or more specific lives jointly insured under the coverage referred to in paragraph *j* of section 976.1—that would be the present value, determined for the purposes of Division II of Chapter IV of Title XI of that Regulation, on the last policy anniversary, within the meaning of that section 92.11R1, on or before the termination, of the fund value of the coverage, within the meaning of that section 92.11R1, if the fund value of the coverage on that policy anniversary were equal to the fund value of the coverage on the termination;

“(d) D is the aggregate of all amounts—each of which is an amount in respect of a coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act (in this subparagraph referred to as a “particular coverage”) in respect of a specific life or two or more specific lives jointly

insured under the coverage referred to in paragraph *j* of section 976.1—that, on the policy anniversary referred to in subparagraph *c*, would be determined under subparagraph *c* of the fourth paragraph of section 92.11R1.1 of that Regulation in respect of the particular coverage, if the death benefit under the particular coverage, and the fund value of the coverage, within the meaning of that section 92.11R1, on that policy anniversary were equal to the death benefit under the particular coverage and the fund value of the coverage, respectively, on the termination;

“(e) E is the amount that would be, on the policy anniversary referred to in subparagraph *c*, the net premium reserve, within the meaning of section 92.11R1 of the Regulation respecting the Taxation Act, determined in respect of the policy for the purposes of Division II of Chapter IV of Title XI of that Regulation, if the fund value benefit, within the meaning of that section 92.11R1, under the policy, the death benefit under each coverage, within the meaning of paragraph *b* of the definition of that expression in the first paragraph of that section 92.11R1, and the fund value of each coverage, within the meaning of that section 92.11R1, on that policy anniversary were equal to the fund value benefit, the death benefit under each coverage and the fund value of each coverage, respectively, under the policy on the termination; and

“(f) F is the amount determined under section 977.1 in respect of a disposition before that time of the interest because of paragraph *d* of section 967 in respect of the payment in respect of the fund value benefit under the policy paid in respect of the coverage, within the meaning of paragraph *a* of the definition of that expression in the first paragraph of section 92.11R1 of the Regulation respecting the Taxation Act, on the termination.”

(2) Subsection 1 has effect from 14 December 2017. In addition, where section 976.2 of the Act applies after 15 December 2014 and before 14 December 2017, it is to be read as if “subparagraph *f*” in subparagraph *d* of the second paragraph were replaced by “subparagraph *c*”.

117. (1) Section 1010 of the Act is amended

(1) by inserting the following paragraph after paragraph *a.1* of subsection 2:

“(a.1.1) within nine years after the later day referred to in paragraph *a* or, in the case of a taxpayer referred to in paragraph *a.0.1*, within ten years after that day, where

i. a redetermination of the taxpayer’s tax was required to be made by the Minister in accordance with section 1012, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 or 737 in respect of a loss for a subsequent taxation year,

ii. a redetermination of the taxpayer's tax was made, or a notification that no tax is payable was issued to the taxpayer, for the subsequent taxation year referred to in subparagraph i, after the period referred to in paragraph *a* or *a.0.1* of subsection 2 in respect of the subsequent taxation year as a consequence of a transaction involving the taxpayer and a person not resident in Canada with whom the taxpayer was not dealing at arm's length, and

iii. the tax redetermination or the notification, referred to in subparagraph ii, reduced the amount of the loss for the subsequent taxation year;”;

(2) by replacing subsection 3 by the following subsection:

“(3) However, the Minister may, under any of paragraphs *a.1*, *a.1.1* and *a.2* of subsection 2 or subsection 2.1, make a reassessment or an additional assessment beyond the period referred to in paragraph *a* or *a.0.1* of subsection 2 only to the extent that the reassessment or additional assessment may reasonably be regarded as relating to the tax redetermination referred to in that paragraph *a.1* or subsection 2.1, to the reduction referred to in subparagraph iii of that paragraph *a.1.1* or to the claim or deduction referred to in that paragraph *a.2*, as the case may be.”

(2) Subsection 1 applies to a taxation year for which a redetermination of the tax for the year was required to be made in accordance with section 1012 of the Act, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 to 737 of the Act in respect of a loss for a subsequent taxation year that ends after 26 February 2018.

118. (1) The Act is amended by inserting the following section after section 1010.0.0.1:

“1010.0.0.2. Despite the expiry of the time limits provided for in section 1010, where a taxpayer, other than a real estate investment trust within the meaning of the first paragraph of section 1129.70, or a partnership of which the taxpayer is a member, directly or indirectly through one or more partnerships, disposes, in a taxation year or a fiscal period that ends in a taxation year, as the case may be, of immovable property, where the property is, in the case where the disposition is made by a corporation or a partnership, capital property of the corporation or partnership and where any of the failures provided for in the second paragraph occurs, the Minister may, subject to the third paragraph, redetermine the taxpayer's tax, interest and penalties for the year under this Part that arise from that failure and make a reassessment or an additional assessment, provided the reassessment or additional assessment is made before the end of the three-year period that begins on the day on which the following documents are filed:

(*a*) where the immovable property is referred to in section 274 or 274.0.1, the prescribed form containing prescribed information referred to in the fifth paragraph of section 274 or 274.0.1, as the case may be, and the taxpayer's

amended fiscal return for the year in which the disposition of the property is reported;

(b) where the disposition is made by the taxpayer and subparagraph *a* does not apply, the taxpayer's amended fiscal return for the year in which the disposition is reported; or

(c) where the disposition is made by the partnership, the amended information return, for its fiscal period that ends in the year, in which the disposition is reported, and the taxpayer's amended fiscal return for the year.

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

(a) where the disposition is made by the taxpayer and the property is referred to in section 274 or 274.0.1, the taxpayer fails to send the prescribed form containing prescribed information provided for in the fifth paragraph of section 274 or 274.0.1, as the case may be, or to report the disposition in the fiscal return the taxpayer is required to file under section 1000 for the year;

(b) where the disposition is made by the taxpayer and subparagraph *a* does not apply, the taxpayer fails to report the disposition in the fiscal return the taxpayer is required to file under section 1000 for the year; or

(c) where the disposition is made by the partnership, the disposition is not reported in the information return required to be filed under section 1086R78 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) for its fiscal period that ends in the year.

However, the Minister may, under this section, make a reassessment or an additional assessment beyond the period referred to in paragraph *a* or *a.0.1* of subsection 2 of section 1010 only to the extent that the reassessment or additional assessment may reasonably be considered to relate to the failure referred to in the first paragraph."

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

119. (1) Section 1012.1 of the Act is amended by inserting the following paragraph after paragraph *d.1.1.1*:

"(*d.1.1.2*) section 1029.8.36.166.60.52 in respect of the unused portion of the tax credit, within the meaning of the first paragraph of section 1029.8.36.166.60.36, for a subsequent taxation year;"

(2) Subsection 1 has effect from 11 March 2020.

120. (1) The Act is amended by inserting the following section after section 1015.0.3:

“1015.0.4. For the purposes of this Act, an amount (in this section referred to as the “excess amount”) is deemed not to have been deducted or withheld by a person under section 1015 if

(a) the excess amount was, but for this section, deducted or withheld by the person under section 1015;

(b) the excess amount is in respect of an excess payment (in this section referred to as the “total excess payment”) of an individual’s salary, wages or other remuneration by the person to the individual in a year, that was paid as a result of an administrative, clerical or system error;

(c) before the end of the third year after the calendar year in which the excess amount is deducted or withheld,

i. the person elects, in the manner determined by the Minister, to have this section apply in respect of the excess amount, and

ii. the individual has repaid, or made an arrangement to repay, the total excess payment less the excess amount;

(d) an information return correcting for the total excess payment has not been issued by the person to the individual prior to the making of the election in subparagraph i of paragraph c; and

(e) any additional conditions determined by the Minister have been met.”

(2) Subsection 1 applies in respect of an excess payment of salary, wages or other remuneration made after 31 December 2015.

121. (1) Section 1029.6.0.0.1 of the Act is amended, in the second paragraph,

(1) by replacing “II.6.5.8” and “II.22” in the portion before subparagraph *a* by “II.6.5.9” and “II.23”, respectively;

(2) by replacing “II.6.5.8” in subparagraph *b* by “II.6.5.9”;

(3) by inserting the following subparagraphs after subparagraph viii.5 of subparagraph *c*:

“viii.6. the amount of financial assistance granted by Eurimages,

“viii.7. the amount of financial assistance granted under Ville de Québec’s Soutien à la production de courts métrages et de webséries program,

“viii.8. the amount of financial assistance granted under Ville de Québec’s Soutien à la production de longs métrages et de séries télévisées program, or”;

(4) by replacing subparagraph ix of subparagraph *c* by the following subparagraph:

“ix. the amount of any financial contribution paid by a public body that holds a broadcasting licence issued by the Canadian Radio-television and Telecommunications Commission or a similar foreign licence;”;

(5) by replacing “and II.6.14.2” in the portion of subparagraph *h* before subparagraph *i* by “, II.6.14.2 and II.6.14.2.3”;

(6) by inserting the following subparagraph after subparagraph *h*:

“(h.1) in the case of Division II.6.0.1.12, government assistance or non-government assistance does not include

i. an amount deemed to have been paid to the Minister for a taxation year under that division, or

ii. an amount deemed to have been paid for a taxation year under subsection 2 of section 125.6 of the Income Tax Act;”;

(7) by striking out subparagraph *k*.

(2) Paragraph 1 of subsection 1, except where it replaces “II.22” in the portion of the second paragraph of section 1029.6.0.0.1 of the Act before subparagraph *a* by “II.23”, and paragraph 2 of that subsection 1 apply to a taxation year that ends after 31 December 2019.

(3) Paragraph 3 of subsection 1, where it enacts subparagraph viii.6 of subparagraph *c* of the second paragraph of section 1029.6.0.0.1 of the Act, has effect from 13 March 2017 and, where it enacts subparagraphs viii.7 and viii.8 of that subparagraph *c*, has effect from 7 March 2019.

(4) Paragraph 4 of subsection 1 has effect from 28 March 2018.

(5) Paragraph 5 of subsection 1 has effect from 11 March 2020.

(6) Paragraph 6 of subsection 1 has effect from 1 January 2019.

122. (1) Section 1029.6.0.1 of the Act is amended

(1) by replacing “II.6.5.7” in subparagraph *a* of the first paragraph by “II.6.5.7 to II.6.5.9”;

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

“Despite subparagraph *b* of the first paragraph, where a person or a member of a partnership may, for a taxation year, be deemed to have paid an amount to the Minister under Division II.6.0.1.11, in respect of costs under a particular contract that are incurred for the provision of services, under Division II.6.14.2.2, in respect of costs relating to a particular contract, or under Division II.6.14.2.3, in respect of costs incurred in relation to the contract for the acquisition of a particular property that is referred to in subparagraph *v* of paragraph *b* of the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36, another taxpayer may, for any taxation year, be deemed to have paid an amount to the Minister under Division II.6.0.1.9, in respect of an expenditure, incurred in performing the particular contract or the contract for the acquisition of the particular property, as the case may be, that may reasonably be considered to relate to those costs.”

(2) Paragraph 1 of subsection 1 applies from the taxation year 2019. However, where section 1029.6.0.1 of the Act applies to a taxation year that ends before 1 January 2020, subparagraph *a* of the first paragraph of that section is to be read as if “II.6.5.7 to II.6.5.9” were replaced by “II.6.5.7, II.6.5.8”.

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

123. (1) Section 1029.6.0.1.7 of the Act is amended by replacing the portion before paragraph *a* by the following:

“**1029.6.0.1.7.** In determining, for the purposes of this chapter, whether a person or a group of persons controls a corporation, whether persons or partnerships are not dealing with each other at arm’s length, whether a corporation or a partnership is associated with another corporation or partnership or whether a corporation is exempt from tax, the following rules apply:”.

(2) Subsection 1 applies to a taxation year or fiscal period that ends after 26 March 2015.

124. (1) Section 1029.6.0.6 of the Act is amended, in the fourth paragraph,

(1) by striking out subparagraphs *a.1* to *b.3*;

(2) by striking out subparagraphs *b.5* to *b.5.0.2*;

(3) by inserting the following subparagraphs after subparagraph *b.5.0.2*:

“(b.5.0.2.1) the amount of \$1,250, wherever it is mentioned in sections 1029.8.61.96.12 and 1029.8.61.96.13;

“(b.5.0.2.2) the amount of \$22,180, wherever it is mentioned in section 1029.8.61.96.12;”;

(4) by striking out subparagraphs *f* to *h*.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2020, except where paragraph 1 of subsection 1 strikes out subparagraph *b.1* of the fourth paragraph of section 1029.6.0.6 of the Act, in which case it applies from the taxation year 2021.

(3) Paragraph 3 of subsection 1 applies from the taxation year 2021.

125. (1) Section 1029.6.0.7 of the Act is amended

(1) by replacing “*b, b.1, b.3, b.5.0.2*” and “*c.1 to f*” in the first paragraph by “*b.5.0.2.2*” and “*c.1 to e*”, respectively;

(2) by replacing “*a.1, b.2, b.5, b.5.0.1*” in the second paragraph by “*b.5.0.2.1*”;

(3) by striking out “*g, h,*” in the second paragraph.

(2) Paragraphs 1 and 2 of subsection 1 apply from the taxation year 2021. In addition, for the taxation year 2020, section 1029.6.0.7 of the Act is to be read as if “*b, b.1, b.3, b.5.0.2*” in the first paragraph were replaced by “*b.1*” and as if “*a.1, b.2, b.5, b.5.0.1,*” in the second paragraph were struck out.

126. (1) Section 1029.8.19.13 of the Act is amended

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

“**1029.8.19.13.** For the purpose of computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year that begins after 2 December 2014 but before 11 March 2020, under any of sections 1029.7, 1029.8.6, 1029.8.9.0.3 and 1029.8.16.1.4 (in this section referred to as a “particular provision”), the following rules apply:”;

(2) by striking out “otherwise” in the portion of the second paragraph before the formula.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020.

127. (1) The Act is amended by inserting the following section after section 1029.8.19.13:

“**1029.8.19.13.1.** For the purpose of computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year that begins after 10 March 2020, under section 1029.7, the following rules apply:

(*a*) the aggregate of all amounts each of which is the amount of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a*

to *i* of the first paragraph of section 1029.7 and that is included in the taxpayer's reducible expenditures for the year, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the exclusion threshold applicable to the taxpayer for the year and the aggregate of those amounts for the year; and

(*b*) where the taxpayer is a corporation, the taxpayer's expenditure limit for the year, determined for the purposes of section 1029.7.2, is to be reduced by the amount of the reduction, determined for the year in respect of the taxpayer under subparagraph *a*.

For the purposes of the first paragraph, where the amount of a taxpayer's reducible expenditures for a taxation year is greater than the exclusion threshold applicable to the taxpayer for the year and the taxpayer may be deemed to have paid an amount to the Minister for the year under section 1029.7, but for this subdivision, and any of sections 1029.8.6, 1029.8.9.0.3 and 1029.8.16.1.4, the exclusion threshold applicable to the taxpayer for the year is deemed to be equal to the amount determined by the formula

$$A \times B/C.$$

In the formula in the second paragraph,

(*a*) *A* is the exclusion threshold that would otherwise be applicable to the taxpayer for the year;

(*b*) *B* is the aggregate of all amounts each of which is an expenditure—referred to in paragraph *a* of the definition of “reducible expenditures” in the first paragraph of section 1029.8.19.8—of the taxpayer for the year; and

(*c*) *C* is the taxpayer's reducible expenditures for the year.”

(2) Subsection 1 applies in respect of an expenditure incurred in a taxation year that begins after 10 March 2020 for scientific research and experimental development undertaken after that date.

128. (1) Section 1029.8.19.14 of the Act is amended

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

“1029.8.19.14. For the purpose of computing the amount that a taxpayer that is a member of a partnership is deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that begins after 2 December 2014 but before 11 March 2020 ends, under any of sections 1029.8, 1029.8.7, 1029.8.9.0.4 and 1029.8.16.1.5 (in this section referred to as a “particular provision”), the following rules apply:”;

(2) by striking out “otherwise determined” in the portion of the second paragraph before the formula.

(2) Paragraph 1 of subsection 1 has effect from 10 March 2020.

129. (1) The Act is amended by inserting the following section after section 1029.8.19.14:

“1029.8.19.14.1. For the purpose of computing the amount that a taxpayer who is a member of a partnership is deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that begins after 10 March 2020 ends, under section 1029.8, the aggregate of all amounts each of which is the amount of the taxpayer’s share of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a* to *i* of the first paragraph of section 1029.8 and that is included in the partnership’s reducible expenditures for the fiscal period, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the taxpayer’s share of the exclusion threshold applicable to the partnership for the fiscal period and the aggregate of those amounts for the fiscal period.

For the purposes of the first paragraph, where the amount of a partnership’s reducible expenditures for a fiscal period is greater than the exclusion threshold applicable to the partnership for the fiscal period and a taxpayer who is a member of the partnership may be deemed to have paid an amount to the Minister for the taxation year in which that fiscal period ends under section 1029.8, but for this subdivision, and any of sections 1029.8.7, 1029.8.9.0.4 and 1029.8.16.1.5 in relation to the partnership, the taxpayer’s share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year is deemed to be equal to the amount determined by the formula

$A \times B/C$.

In the formula in the second paragraph,

(a) *A* is the exclusion threshold applicable to the partnership for the fiscal period that ends in the year;

(b) *B* is the aggregate of all amounts each of which is the taxpayer’s share of an expenditure—referred to in paragraph *a* of the definition of “reducible expenditures” in the first paragraph of section 1029.8.19.8—of the partnership for the fiscal period that ends in the year; and

(c) *C* is the partnership’s reducible expenditures for the fiscal period that ends in the year.

For the purposes of this section, the taxpayer’s share of an amount is equal to the agreed proportion of the amount in respect of the taxpayer for the partnership’s fiscal period that ends in the taxpayer’s taxation year.”

(2) Subsection 1 applies in respect of an expenditure incurred in a fiscal period that begins after 10 March 2020 for scientific research and experimental development undertaken after that date.

130. (1) Section 1029.8.19.15 of the Act is replaced by the following section:

“1029.8.19.15. For the purposes of sections 1029.8.19.13 to 1029.8.19.14.1, where the amount that reduces an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13 or 1029.8.19.14, in paragraph *a* of section 1029.8.19.13.1 or in the first paragraph of section 1029.8.19.14.1 is equal to the exclusion threshold applicable to the taxpayer for a taxation year or to the taxpayer’s share of a partnership’s exclusion threshold for a fiscal period that ends in a taxation year, as the case may be, the taxpayer may designate which of the taxpayer’s expenditures or of the taxpayer’s share of the expenditures included in that aggregate is to be reduced by all or part of the taxpayer’s exclusion threshold for the year or of the taxpayer’s share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year, as the case may be.”

(2) Subsection 1 has effect from 10 March 2020.

131. (1) Section 1029.8.35 of the Act is amended

(1) by replacing “viii.5” in the portion of subparagraph ii of subparagraph *c* of the first paragraph before subparagraph 1 by “viii.8”;

(2) by replacing “viii.5” in the fourth paragraph by “viii.8”.

(2) Subsection 1 has effect from 13 March 2017. However, where section 1029.8.35 of the Act applies before 7 March 2019, it is to be read as if “viii.8” in the portion of subparagraph ii of subparagraph *c* of the first paragraph before subparagraph 1 and in the fourth paragraph were replaced by “viii.6”.

132. (1) Section 1029.8.36.0.0.7 of the Act is amended

(1) by replacing “50%” in the portion of subparagraph i of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph before subparagraph 1 by “65%”;

(2) by adding the following subparagraph at the end of the fourth paragraph:

“(d) where that subparagraph i applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles before 11 March 2020, the portion of that subparagraph before subparagraph 1 is to be read as if “65%” were replaced by “50%”.”

(2) Paragraph 1 of subsection 1 applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

133. (1) Section 1029.8.36.0.0.10 of the Act is amended

(1) by replacing “50%” in the portion of subparagraph *i* of paragraph *b* of the definition of “qualified labour expenditure” in the first paragraph before subparagraph 1 by “65%”;

(2) by adding the following subparagraph at the end of the fourth paragraph:

“(d) where that subparagraph *i* applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles before 11 March 2020, the portion of that subparagraph before subparagraph 1 is to be read as if “65%” were replaced by “50%.”

(2) Paragraph 1 of subsection 1 applies in respect of a property for which an application for an advance ruling or, in the absence of such an application, an application for a certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

(3) Paragraph 2 of subsection 1 has effect from 11 March 2020.

134. (1) Section 1029.8.36.0.3.8 of the Act is amended by striking out subparagraph *d* of the second paragraph and the third paragraph.

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred in a taxation year that ends after 16 December 2019 or under a contract entered into in such a taxation year.

135. (1) Section 1029.8.36.0.3.18 of the Act is amended by striking out subparagraph *e* of the second paragraph and the third paragraph.

(2) Subsection 1 applies in respect of a qualified labour expenditure incurred in a taxation year that ends after 16 December 2019 or under a contract entered into in such a taxation year.

136. (1) Section 1029.8.36.0.3.88 of the Act is amended by replacing “2022” in the definition of “eligibility period” in the first paragraph and in subparagraph *a* of the second paragraph by “2023”.

(2) Subsection 1 has effect from 2 October 2019.

137. (1) Section 1029.8.36.0.3.102 of the Act is amended by replacing “2025” in the portion before paragraph *a* by “2026”.

(2) Subsection 1 has effect from 2 October 2019.

138. (1) Section 1029.8.36.0.3.103 of the Act is amended by replacing “2025” in the portion before subparagraph *a* of the first paragraph by “2026”.

(2) Subsection 1 has effect from 2 October 2019.

139. (1) Section 1029.8.36.0.3.104 of the Act is amended by replacing “2025” in the portion before subparagraph *a* of the first paragraph by “2026”.

(2) Subsection 1 has effect from 2 October 2019.

140. (1) The Act is amended by inserting the following division after section 1029.8.36.0.3.108:

“DIVISION II.6.0.1.12

“CREDIT TO SUPPORT PRINT MEDIA

“§1.—*Interpretation and general rules*

“1029.8.36.0.3.109. In this division,

“broadcasting undertaking” has the meaning assigned by subsection 1 of section 2 of the Broadcasting Act (Statutes of Canada, 1991, chapter 11);

“eligible employee” of a corporation or a partnership for all or part of a taxation year or fiscal period, as the case may be, means, subject to the fourth paragraph, an individual in respect of whom the following conditions are met:

(*a*) in all or part of the year or fiscal period, the individual is an employee of the corporation or partnership (other than an excluded employee) who reports for work at an establishment of the corporation or partnership situated either in Québec or, where the condition in the fifth paragraph is met, elsewhere in Canada; and

(*b*) a certificate has been issued, for the purposes of this division, to the corporation or partnership, for the year or fiscal period, according to which the individual is recognized as an eligible employee of the corporation or partnership for all or part of the year or fiscal period;

“eligible media” of a corporation or a partnership, for a taxation year or a fiscal period, as the case may be, means a media whose name is specified in a certificate that has been issued, for the purposes of this division, to the corporation or partnership for the year or fiscal period;

“excluded corporation” for a taxation year means

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

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

(c) a corporation that, in the year, carries on a broadcasting undertaking;

“excluded employee” in all or part of a taxation year of a corporation, or of a fiscal period of a partnership, means, subject to the fourth paragraph,

(a) where the employer is a corporation, an employee who, in the year, is a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the cooperative; or

(b) where the employer is a partnership, either an employee who, in the taxation year of a member of the partnership in which the fiscal period ends, is a specified shareholder of the member or, if the latter is a cooperative, a specified member of the cooperative, or an employee who, at any time in the fiscal period, does not deal at arm’s length with a member of the partnership;

“excluded subsidiary” for a particular taxation year of a particular corporation or a particular fiscal period of a particular partnership means

(a) a corporation that is exempt from tax under Book VIII for a taxation year that includes all or part of the particular taxation year or particular fiscal period, as the case may be;

(b) a corporation that, in the particular taxation year or particular fiscal period, as the case may be, carries on a broadcasting undertaking; or

(c) a corporation that, in the particular taxation year or particular fiscal period, as the case may be, provides services or sells property to persons or partnerships other than the particular corporation or particular partnership;

“information technology activity” has the meaning assigned by section 19.11 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);

“original information content” has the meaning assigned by section 19.6 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures;

“qualified corporation” for a taxation year means a corporation (other than an excluded corporation) that, in the year,

(a) carries on a business in Québec and has an establishment in Québec; and

(b) produces and disseminates one or more eligible media;

“qualified expenditure” of a corporation or a partnership for a taxation year or a fiscal period, as the case may be, that includes all or part of the transitional period means the portion of the consideration, paid by the corporation or partnership to its wholly-owned subsidiary for work carried out on its behalf during that period or part of the period in relation to recognized activities, that may reasonably be attributed to the wages the subsidiary incurred and paid in respect of its eligible employees;

“qualified partnership” for a fiscal period means a partnership that, in the fiscal period,

- (a) carries on a business in Québec and has an establishment in Québec;
- (b) produces and disseminates one or more eligible media; and
- (c) does not carry on a broadcasting undertaking;

“qualified wages” incurred by a corporation in a taxation year, or by a partnership in a fiscal period, in respect of an eligible employee of the corporation or partnership, means the lesser of

(a) the amount obtained by multiplying \$75,000 by the proportion that the number of days in the taxation year or fiscal period that follow 31 December 2018 and during which the individual is recognized as an eligible employee of the corporation or partnership, as the case may be, is of 365; and

(b) the amount by which the amount of the wages incurred by the corporation or partnership in respect of the individual, after 31 December 2018 and in the part of the taxation year or fiscal period during which the individual is recognized as an eligible employee of the corporation or partnership, to the extent that that amount is paid, exceeds the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to such wages that the corporation or partnership has received, is entitled to receive or may reasonably expect to receive on or before, in the case of the corporation, the corporation’s filing-due date for the taxation year or, in the case of the partnership, the last day of the six-month period following the end of the fiscal period;

“recognized activity” means an information technology activity that is related to the production or dissemination of original information content intended for publication in an eligible media;

“specified member” of a corporation that is a cooperative in a taxation year means either a member of the cooperative that has, directly or indirectly, at any time in the year, at least 10% of the votes that could be cast at a meeting of the members of the cooperative or a person that does not deal at arm’s length with such a member;

“transitional period” means the calendar year 2019;

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

“wholly-owned subsidiary” of a corporation or a partnership, for a taxation year of the corporation or a fiscal period of the partnership, means another corporation (other than an excluded subsidiary for that year or fiscal period) all of whose issued shares of each class of shares of its capital stock are owned by the corporation or partnership throughout that year or fiscal period.

In computing, for the purposes of the definition of “qualified expenditure” of a corporation or partnership for a taxation year or fiscal period of the corporation or partnership, the portion of the consideration referred to in that definition that is paid by the corporation or partnership to its wholly-owned subsidiary, the following rules apply:

(a) the wages of an eligible employee of the wholly-owned subsidiary that are taken into account in that computation may not exceed the amount obtained by multiplying \$75,000 by the proportion that the number of days in the taxation year or fiscal period that follow 31 December 2018 but precede 1 January 2020, and during which the individual is recognized as an eligible employee of the wholly-owned subsidiary is of 365; and

(b) the portion of the consideration is to be reduced by the aggregate of all amounts each of which is an amount of government assistance or non-government assistance that is attributable to the portion of the wages, incurred and paid by the wholly-owned subsidiary in respect of its eligible employees, which is taken into account in computing that portion of the consideration and that the corporation or partnership has received, is entitled to receive or may reasonably expect to receive on or before, in the case of the corporation, the corporation’s filing-due date for the year or, in the case of the partnership, the last day of the six-month period following the end of the fiscal period.

For the purposes of subparagraph *b* of the second paragraph, an amount of government assistance or non-government assistance that is, at a particular time, received or receivable by the wholly-owned subsidiary of a corporation or partnership and that is attributable to the wages of its eligible employees is deemed to be received at that time by the corporation or partnership, as the case may be.

In determining, for the purposes of this division, whether an individual is an eligible employee of a corporation that is a wholly-owned subsidiary of another corporation or of a partnership for, as the case may be, a taxation year or a fiscal period of the corporation or partnership that includes all or part of the transitional period, the following rules apply:

(a) the definition of “eligible employee” in the first paragraph is to be read

i. as if “of a corporation or a partnership for all or part of a taxation year or fiscal period, as the case may be,” in the portion before paragraph *a* were replaced by “of a wholly-owned subsidiary of a corporation or partnership for all or part of a taxation year or fiscal period, as the case may be, of the corporation or partnership” and without reference to “, subject to the fourth paragraph,”,

ii. as if “employee of the corporation or partnership” and “of the corporation or partnership situated either in Québec or, where the condition in the fifth paragraph is met, elsewhere in Canada” in paragraph *a* were replaced by “employee of the wholly-owned subsidiary” and “of the wholly-owned subsidiary situated in Québec”, respectively, and

iii. as if “of the corporation or partnership” in paragraph *b* were replaced by “of the wholly-owned subsidiary”; and

(*b*) the definition of “excluded employee” in the first paragraph is to be read

i. without reference to “, subject to the fourth paragraph,” in the portion before paragraph *a*,

ii. as if “where the employer is a corporation” in paragraph *a* were replaced by “where the employer is a wholly-owned subsidiary of the corporation”, and

iii. as if “where the employer is a partnership” in paragraph *b* were replaced by “where the employer is a wholly-owned subsidiary of the partnership”.

An individual who reports for work at an establishment of a qualified corporation or qualified partnership situated in Canada outside Québec is an eligible employee of the corporation or partnership only if all of the corporation’s or partnership’s eligible employees who report for work at one of the corporation’s or partnership’s establishments situated in Québec represent at least 75% of all the individuals who are or would be, but for this paragraph, the corporation’s or partnership’s eligible employees.

For the purposes of the definition of “eligible employee” in the first paragraph, the following rules are taken into account:

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

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 corporation or partnership situated outside Québec; and

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

To determine whether, during all or part of a taxation year or fiscal period, an employee reports for work at an establishment of a corporation or partnership situated in Canada outside Québec, the sixth paragraph applies, subject to the following rules:

(a) where, during that period, the employee reports for work at an establishment of the corporation or partnership situated in Canada outside Québec and at an establishment of the corporation or partnership situated outside Canada, subparagraph *a* of the sixth paragraph is to be read as if all occurrences of "in Québec" and "outside Québec" were replaced by "in Canada outside Québec" and "outside Canada", respectively; and

(b) where, during that period, the employee is not required to report for work at an establishment of the corporation or partnership and the employee's wages in relation to that period are paid from such an establishment situated in Canada outside Québec, subparagraph *b* of the sixth paragraph is to be read as if "situated in Québec" and "mainly in Québec" were replaced by "situated in Canada outside Québec" and "mainly in the province where it is situated", respectively.

"1029.8.36.0.3.II0. For the purposes of this division, a corporation's share of an amount, in relation to a partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"§2.— *Credits*

"1029.8.36.0.3.III. A qualified corporation for a taxation year that encloses the documents described in the third paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 35% of the aggregate of all amounts each of which is the qualified wages incurred by the qualified corporation in the year in respect of an eligible employee for all or part of the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027 or any of sections 1159.7, 1175 and 1175.19 where those sections 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.

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

(a) the prescribed form containing prescribed information; and

(b) a copy of

i. any certificate issued to the corporation for the year in respect of a media business for the purposes of this division, and

ii. any certificate issued to the corporation for the year in respect of an individual for the purposes of this division.

Where the qualified corporation's taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation's wholly-owned subsidiary carries out work on its behalf in relation to recognized activities, the amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph is determined by adding the corporation's qualified expenditure for the year to the aggregate described in that first paragraph.

“1029.8.36.0.3.112. A corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership that ends in a taxation year and that encloses the documents described in the third paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to 35% of its share of the aggregate of all amounts each of which is the qualified wages incurred by the qualified partnership in the fiscal period in respect of an eligible employee for all or part of the fiscal period.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027 or any of sections 1159.7, 1175 and 1175.19 where those sections 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.

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

(a) the prescribed form containing prescribed information; and

(b) a copy of

i. any certificate issued to the partnership for the fiscal period in respect of a media business for the purposes of this division, and

ii. any certificate issued to the partnership for the fiscal period in respect of an individual for the purposes of this division.

Where the qualified partnership's fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary carries out work on its behalf in relation to recognized activities, the amount that a corporation that is a member of the partnership is deemed to have paid to the Minister under the first paragraph for a taxation year that ends in the fiscal period is determined by adding the partnership's qualified expenditure for the fiscal period to the aggregate described in that first paragraph.

“1029.8.36.0.3.113. Despite the expiry of the time limit provided for in the first paragraph of section 1029.6.0.1.2 for filing the documents described in the third paragraph of section 1029.8.36.0.3.111 or 1029.8.36.0.3.112, a corporation may be deemed to have paid an amount to the Minister on account of the corporation's tax payable for a taxation year under that section, if it files such documents in accordance with that third paragraph before 17 December 2020.

“§3.—Assistance, repayment of assistance and other particulars

“1029.8.36.0.3.114. Where a corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership has received, is entitled to receive or may reasonably expect to receive, on or before the last day of the six-month period following the end of the fiscal period, an amount of government assistance or non-government assistance in respect of wages included in computing the qualified wages incurred by the partnership in that fiscal period, in respect of an eligible employee for all or part of that fiscal period, such qualified wages

are, for the purpose of computing the amount deemed to have been paid to the Minister by the corporation under section 1029.8.36.0.3.112 for the taxation year in which the fiscal period ends, to be determined as if

(a) the amount of assistance had been received by the partnership in the fiscal period; and

(b) the amount of assistance were equal to the product obtained by multiplying the amount of assistance otherwise determined by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period.

Where a qualified partnership's fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the qualified partnership's wholly-owned subsidiary carried out work on the qualified partnership's behalf in relation to recognized activities, the first paragraph applies in respect of an amount of government assistance or non-government assistance that is received or receivable by a corporation referred to in that paragraph and that is attributable to the wages that were incurred and paid by the wholly-owned subsidiary, in respect of the wholly-owned subsidiary's eligible employees, for the carrying out of the work, but the portion of the first paragraph before subparagraph *a* is to be read as follows:

“Where a corporation (other than an excluded corporation) that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership has received, is entitled to receive or may reasonably expect to receive, on or before the last day of the six-month period following the end of the fiscal period, an amount of government assistance or non-government assistance that is attributable to the wages that were incurred and paid in respect of the eligible employees of the partnership's wholly-owned subsidiary and that were taken into account in computing the partnership's qualified expenditure for that fiscal period, such qualified expenditure is, for the purpose of computing the amount deemed to have been paid to the Minister by the corporation under section 1029.8.36.0.3.112 for the taxation year in which the fiscal period ends, to be determined as if”.

“1029.8.36.0.3.115. 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, referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the corporation in a particular taxation year, in relation to an eligible employee, and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111 for the particular year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the amount that

it would be deemed to have paid to the Minister under section 1029.8.36.0.3.111 for the particular year, in respect of the qualified wages, if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the aggregate determined under that paragraph *b*, exceeds the aggregate of

(*a*) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111 for the particular year, in respect of the qualified wages; and

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

Where a corporation's particular taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation's wholly-owned subsidiary for the particular year carried out work on the corporation's behalf in relation to recognized activities, the first paragraph applies in respect of an amount that may reasonably be considered to be a repayment by the corporation of government assistance or non-government assistance attributable to the wages of that subsidiary's eligible employees, but is to be read

(*a*) as if “, referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the corporation in a particular taxation year, in relation to an eligible employee, and in respect of which the corporation is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111” in the portion before subparagraph *a* were replaced by “that reduced, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the corporation's qualified expenditure for a particular taxation year, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111, in respect of such expenditure,”; and

(*b*) as if “in respect of the qualified wages” wherever it appears in the portion before subparagraph *b* were replaced by “in respect of the qualified expenditure”.

For the purposes of this section, an amount of government assistance or non-government assistance referred to in the third paragraph of section 1029.8.36.0.3.109 is deemed to be repaid by the corporation, pursuant to a legal obligation, at the time it is so repaid by another corporation that was the corporation's wholly-owned subsidiary for the particular taxation year.

“1029.8.36.0.3.116. 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, referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of

computing the qualified wages incurred by the partnership, in relation to an eligible employee, in a particular fiscal period ending in a particular taxation year and in respect of which a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.112 for the particular taxation year, 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 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, exceeds the total of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, 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) the aggregate of all amounts each of which is an 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 such assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

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

(a) any amount of such assistance repaid by the partnership at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the aggregate determined under paragraph *b* of the definition of "qualified wages" in the first paragraph of section 1029.8.36.0.3.109; 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.

Where a partnership's particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary for the fiscal period carried out work on the partnership's behalf in relation to recognized activities, the first and second paragraphs apply in respect of an amount that may reasonably be considered to be a repayment by the partnership of government assistance or non-government assistance attributable to the wages of that subsidiary's eligible employees, but are to be read

(a) as if “, referred to in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109, that was taken into account for the purpose of computing the qualified wages incurred by the partnership, in relation to an eligible employee, in a particular fiscal period ending in a particular taxation year and in respect of which a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.112” in the portion before subparagraph *a* of the first paragraph were replaced by “that reduced, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the partnership’s qualified expenditure for a particular fiscal period ending in a particular taxation year, for the purpose of computing the amount that a corporation that is a member of the partnership at the end of the particular fiscal period is deemed to have paid to the Minister under section 1029.8.36.0.3.112, in respect of such expenditure.”;

(b) as if “in respect of the qualified wages” wherever it appears in the portion before subparagraph *b* of the first paragraph were replaced by “in respect of the qualified expenditure”; and

(c) as if “paragraph *b* of the definition of “qualified wages” in the first paragraph” in subparagraph *a* of the second paragraph were replaced by “subparagraph *b* of the second paragraph”.

For the purposes of this section, an amount of government assistance or non-government assistance referred to in the third paragraph of section 1029.8.36.0.3.109 is deemed to be repaid by the partnership, pursuant to a legal obligation, at the time it is so repaid by a corporation that was the partnership’s wholly-owned subsidiary for the particular fiscal period.

“1029.8.36.0.3.117. Where a corporation that 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”) pays, in that fiscal period, pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance, in respect of wages included in computing the qualified wages incurred by the partnership in relation to an eligible employee, in a particular fiscal period, that is referred to in the portion of the first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, the qualified wages for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.112, in respect of the qualified wages, for its taxation year in which the particular fiscal period ends (in this section referred to as the “particular year”), 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 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, exceeds the total of

(a) the amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.112 for the particular year, in respect of the qualified wages, 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) the aggregate of all amounts each of which is an 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 such assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

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

(a) the aggregate described in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109 were reduced, for the particular fiscal period, by the amount obtained by multiplying the reciprocal of the agreed proportion, in respect of the corporation for the fiscal period of repayment, by an amount of such assistance repaid at or before the end of the fiscal period of repayment; 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.

Where a partnership’s particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership’s wholly-owned subsidiary for the fiscal period carried out work on the partnership’s behalf in relation to recognized activities, the first and second paragraphs apply in respect of an amount that may reasonably be considered to be a repayment, by a corporation that is a member of the partnership at the end of the fiscal period of repayment, of government assistance or non-government assistance attributable to the wages of that subsidiary’s eligible employees, but are to be read

(a) as if “, in respect of wages included in computing the qualified wages incurred by the partnership in relation to an eligible employee, in a particular fiscal period, that is referred to in the portion of the first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, the qualified wages” in the portion before subparagraph *a* of the first paragraph were replaced by “attributable to the wages taken into account in computing the qualified expenditure of the partnership for a particular fiscal period that is referred to in the portion of the

first paragraph of section 1029.8.36.0.3.114 before subparagraph *a* and that reduced, in the manner provided for in that section, because of subparagraph *b* of the second paragraph of section 1029.8.36.0.3.109, the qualified expenditure”;

(*b*) as if “in respect of the qualified wages” wherever it appears in the portion before subparagraph *b* of the first paragraph were replaced by “in respect of the qualified expenditure”; and

(*c*) as if “paragraph *b* of the definition of “qualified wages” in the first paragraph” in subparagraph *a* of the second paragraph were replaced by “subparagraph *b* of the second paragraph”.

“1029.8.36.0.3.118. For the purposes of sections 1029.8.36.0.3.115 to 1029.8.36.0.3.117, an amount of assistance is deemed to be repaid at a particular time by a corporation or a partnership, as the case may be, pursuant to a legal obligation, if that amount

(*a*) reduced, because of paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109 or because of section 1029.8.36.0.3.114, the amount of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which the corporation or a corporation that is a member of the partnership is deemed to have paid an amount to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.112, as the case may be;

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

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

Where the repayment of assistance is in respect of assistance attributable to the wages of the eligible employees of the corporation’s or partnership’s wholly-owned subsidiary, the first paragraph applies in its respect, but subject to the following rules:

(*a*) subparagraph *a* is to be read as if “paragraph *b* of the definition of “qualified wages” in the first paragraph” and “of the wages referred to in that paragraph *b*, for the purpose of computing qualified wages in respect of which” were replaced by “subparagraph *b* of the second paragraph” and “of the corporation’s or partnership’s qualified expenditure in respect of which”, respectively; and

(*b*) where the amount was receivable by the corporation’s or partnership’s wholly-owned subsidiary,

i. the portion before subparagraph *a* is to be read as if “1029.8.36.0.3.115 to 1029.8.36.0.3.117” and “a corporation or a partnership” were replaced by “1029.8.36.0.3.115 and 1029.8.36.0.3.116” and “the wholly-owned subsidiary of a corporation or a partnership”, and

ii. both subparagraphs *b* and *c* are to be read as if “the corporation or the partnership” were replaced by “the wholly-owned subsidiary”.

“1029.8.36.0.3.119. Where, in respect of the employment of an individual with a qualified corporation or a qualified partnership as an eligible employee, 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 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 the qualified corporation is deemed to have paid to the Minister for a particular taxation year under section 1029.8.36.0.3.111, the qualified wages incurred by the corporation, in relation to the individual’s employment, in the particular year are to be determined by increasing the aggregate described in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109 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 particular 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 1029.8.36.0.3.112, by a corporation that is a member of the qualified partnership at the end of the partnership’s particular fiscal period ending in the year, the qualified wages incurred by the partnership, in relation to the individual’s employment, in the particular fiscal period are to be determined by increasing the aggregate described in paragraph *b* of the definition of “qualified wages” in the first paragraph of section 1029.8.36.0.3.109 by

i. 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 last day of the six-month period following the end of the particular fiscal period, or

ii. the product obtained by multiplying the amount of the benefit or advantage that the corporation or a person with whom the corporation is not dealing at arm’s length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the particular fiscal period, by the reciprocal of the agreed proportion in respect of the corporation for that fiscal period.

Where the qualified corporation’s particular taxation year, or the qualified partnership’s particular fiscal period, includes all or part of the transitional period and where, in the transitional period or part of that period, the qualified corporation’s or qualified partnership’s wholly-owned subsidiary for the particular year or particular fiscal period carried out work on the qualified

corporation's or qualified partnership's behalf in relation to recognized activities, the first paragraph applies in respect of a benefit or advantage obtained or to be obtained in relation to the work, but is to be read

(a) as if "the employment of an individual with a qualified corporation or a qualified partnership as an eligible employee" and "to the employment" in the portion before subparagraph *a* were replaced by "the work carried out on behalf of a qualified corporation or a qualified partnership by the qualified corporation's or qualified partnership's wholly-owned subsidiary in relation to recognized activities" and "to the work", respectively;

(b) as if "the qualified wages incurred by the corporation, in relation to the individual's employment, in the particular year are to be determined" and "paragraph *b* of the definition of "qualified wages" in the first paragraph" in subparagraph *a* were replaced by "the corporation's qualified expenditure for the particular year is to be determined" and "subparagraph *b* of the second paragraph", respectively; and

(c) as if "the qualified wages incurred by the partnership, in relation to the individual's employment, in the particular fiscal period are to be determined" and "paragraph *b* of the definition of "qualified wages" in the first paragraph" in the portion of subparagraph *b* before subparagraph *i* were replaced by "the partnership's qualified expenditure for the particular fiscal period is to be determined" and "subparagraph *b* of the second paragraph", respectively."

(2) Subsection 1 has effect from 1 January 2019.

141. (1) Section 1029.8.36.53.20.1 of the Act is amended by replacing "2020" in the definition of "qualified financing" in the first paragraph by "2025".

(2) Subsection 1 has effect from 16 December 2019.

142. (1) Section 1029.8.36.53.20.6 of the Act is amended by replacing "2032" in the portion before paragraph *a* by "2037".

(2) Subsection 1 has effect from 16 December 2019.

143. (1) Sections 1029.8.36.53.20.7 and 1029.8.36.53.20.8 of the Act are amended by replacing "2032" in the portion before subparagraph *a* of the first paragraph by "2037".

(2) Subsection 1 has effect from 16 December 2019.

144. Division II.6.4.3 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.36.53.21 to 1029.8.36.53.27, is repealed.

145. Division II.6.5.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.36.59.9 to 1029.8.36.59.11, is repealed.

146. (1) The Act is amended by inserting the following division after section 1029.8.36.59.57:

“DIVISION II.6.5.9

“CREDIT FOR SMALL AND MEDIUM-SIZED BUSINESSES IN RESPECT OF PERSONS WITH A SEVERELY LIMITED CAPACITY FOR EMPLOYMENT

“§1.—*Interpretation*

“1029.8.36.59.58. In this division,

“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” 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, other than an excluded employee at any time in that calendar year, in respect of whom the conditions of subparagraphs *a* to *b.1* of the first paragraph of section 752.0.14 are met or in respect of whom the Minister of Labour, Employment and Social Solidarity issued a certificate certifying that the employee received in the calendar year or in any of the five preceding calendar years a social solidarity allowance under Chapter II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1);

“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” 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” for a taxation year has the meaning assigned by the first paragraph of section 771.1;

“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” of a qualified corporation for a taxation year or of a qualified partnership for a fiscal period, in relation to an eligible employee, means 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 2019 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” 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 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.

“§2. — *Credit*

“1029.8.36.59.59. 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 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 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; and

(b) 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 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.

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.

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.

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

“**1029.8.36.59.60.** 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 1029.8.36.59.59, the following rules apply:

(a) the amount of the corporation’s qualified expenditure referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.59 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; and

(b) the corporation’s share of the qualified expenditure referred to in subparagraph *b* of the first paragraph of section 1029.8.36.59.59 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.

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.

“**1029.8.36.59.61.** Where, in respect of a qualified 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 1029.8.36.59.59:

(a) the amount of the corporation's qualified expenditure referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.59 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 referred to in subparagraph *b* of the first paragraph of section 1029.8.36.59.59 is to be reduced, if applicable,

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

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

For the purposes of subparagraph i of subparagraph *b* of the first paragraph, the 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.

“1029.8.36.59.62. 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 1029.8.36.59.60, the corporation's qualified 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 1029.8.36.59.59, the corporation is deemed, if it 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 1029.8.36.59.59, in respect of the qualified 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 amount of any government assistance or non-government assistance referred to in subparagraph *a* of the first paragraph of section 1029.8.36.59.60, exceeds the aggregate of

(a) the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.59 for the particular year in respect of the qualified expenditure; and

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

“1029.8.36.59.63. 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 1029.8.36.59.60, a corporation’s share of the partnership’s qualified 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 1029.8.36.59.59, 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 1029.8.36.59.59 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 1029.8.36.59.59, 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.

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 1029.8.36.59.60; and

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

“1029.8.36.59.64. 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 1029.8.36.59.60, its share of the partnership’s qualified 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 1029.8.36.59.59, 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 1029.8.36.59.59 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 1029.8.36.59.59 for its taxation year in which the particular fiscal period ends, in respect of the share, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

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

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

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of subparagraph *b* of the first paragraph of section 1029.8.36.59.60; and

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

“1029.8.36.59.65. For the purposes of sections 1029.8.36.59.62 to 1029.8.36.59.64, 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 1029.8.36.59.60, a qualified expenditure or the share of a corporation that is a member of the partnership of a qualified 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 1029.8.36.59.59;

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

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

(2) Subsection 1 applies to a taxation year that ends after 31 December 2019.

147. (1) Section 1029.8.36.166.40 of the Act is amended

(1) by replacing the portion of the definition of “qualified property” in the first paragraph before paragraph *a* by the following:

““qualified property” of a corporation or a partnership means, subject to the second paragraph, a property that”;

(2) by replacing subparagraph 2 of subparagraph *i* of paragraph *a* of the definition of “qualified property” in the first paragraph by the following subparagraph:

“(2) in any other case, the period that begins on 14 March 2008 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on 31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020,”;

(3) by replacing subparagraph 2 of subparagraph *ii* of paragraph *a* of the definition of “qualified property” in the first paragraph by the following subparagraph:

“(2) in any other case, the period that begins on 28 January 2009 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on

31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020, or”;

(4) by replacing subparagraph 2 of subparagraph iii of paragraph *a* of the definition of “qualified property” in the first paragraph by the following subparagraph:

“(2) in any other case, the period that begins on 21 March 2012 and ends on 31 December 2016 or, unless it is a property acquired pursuant to an obligation in writing entered into before 16 August 2018 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 15 August 2018, the period that begins on 16 August 2018 and ends on 31 December 2019 or, if it is a property acquired pursuant to an obligation in writing entered into after 15 August 2018 and before 1 January 2020 or the construction of which, if applicable, by or on behalf of the purchaser, began in the latter period, 31 December 2020;”;

(5) by replacing “2020” in subparagraph i.1 of paragraph *a.1* of the definition of “qualified property” in the first paragraph by “2021”;

(6) by replacing “described in the fifth paragraph” in the definition of “expenses eligible for a temporary additional increase” in the first paragraph by “described in the eighth paragraph”;

(7) by inserting “, subject to the ninth paragraph,” after “means” in the definition of “total taxes” in the first paragraph;

(8) by inserting the following paragraphs after the first paragraph:

“A property that is acquired by a qualified corporation or a qualified partnership and that meets the conditions mentioned in the definition of “qualified property” in the first paragraph and those mentioned in the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36 is a qualified property only if the corporation or the qualified corporations that are members of the partnership, as the case may be, so elect in the prescribed form containing prescribed information that is enclosed with either of the following documents, as applicable:

(*a*) in the case of the corporation, the fiscal return the corporation is required to file under this Part for its first taxation year in which it incurred expenses to acquire the property; or

(*b*) in the case of the corporations that are members of the partnership, the information return that the members of the partnership are required to file under section 1086R78 of the Regulation respecting the Taxation Act for the partnership’s first fiscal period in which it incurred expenses to acquire the property.

For the purposes of the second paragraph, an election made by a qualified corporation that is a member of a partnership is deemed to have been made by each qualified corporation that is a member of the partnership.

However, the election referred to in the second paragraph may not be made for a particular taxation year of the qualified corporation or a particular fiscal period of the qualified partnership where

(a) the qualified corporation or a qualified corporation that is a member of the qualified partnership is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49 in respect of expenses incurred in the particular year or particular fiscal period, or in a preceding taxation year or fiscal period, as the case may be; or

(b) if the qualified corporation or qualified partnership is associated in the particular year or particular fiscal period with one or more other corporations or partnerships, one of the following corporations is deemed to have paid an amount to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49 in respect of expenses incurred in a taxation year or fiscal period, as the case may be, that ends at or before the end of that particular year or particular fiscal period:

- i. a corporation that is associated with it, or
- ii. a corporation that is a member of a partnership that is associated with it.”;

(9) by replacing the fifth paragraph by the following paragraph:

“The qualified property referred to in the definition of “expenses eligible for a temporary additional increase” in the first paragraph is a qualified property that

(a) is acquired in the period that begins on 16 August 2018 and ends on 31 December 2019 otherwise than pursuant to an obligation in writing entered into before 16 August 2018 and that is not a property the construction of which, by or on behalf of the purchaser, had begun by 15 August 2018; or

(b) is acquired in the calendar year 2020 and either the acquisition is made pursuant to an obligation in writing entered into in the period that begins on 16 August 2018 and ends on 31 December 2019 or the construction of the property, by or on behalf of the purchaser, began in that period.”;

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

“Where a corporation is, for a taxation year, deemed to have paid an amount to the Minister under this division, otherwise than under any of sections 1029.8.36.166.55 to 1029.8.36.166.57, and an amount under Division II.6.14.2.3, otherwise than under any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, the corporation’s otherwise determined total taxes for

the year are, for the purposes of this division, reduced by all or part of those amounts that the corporation takes into account in computing its total taxes for the year for the purposes of Division II.6.14.2.3.”

(2) Paragraphs 1, 6 to 8 and 10 of subsection 1 have effect from 11 March 2020.

(3) Paragraphs 2 to 5 and 9 of subsection 1 have effect from 16 August 2018.

148. (1) Section 1029.8.36.166.45 of the Act is amended by replacing subparagraph *b* of the third paragraph by the following subparagraph:

“(b) eligible expenses incurred in the period that begins on 16 August 2018 and ends on 31 December 2019, where

i. the property is acquired in that period otherwise than pursuant to an obligation in writing entered into on or before 15 August 2018 and is not a property the construction of which, by or on behalf of the purchaser, had begun by that date, or

ii. the property is acquired in the calendar year 2020 and either the acquisition is made pursuant to an obligation in writing entered into in the period that begins on 16 August 2018 and ends on 31 December 2019 or the construction of the property, by or on behalf of the purchaser, began in that period.”

(2) Subsection 1 has effect from 16 August 2018.

149. (1) Section 1029.8.36.166.60.19 of the Act is amended, in the definition of “eligible expenses” in the first paragraph,

(1) by replacing “2020” by “2021” in the following provisions:

—the portion of paragraphs *a* to *d* before subparagraph *i*;

—paragraphs *e* and *f*;

(2) by replacing “2021” in subparagraph *iii* of paragraphs *a* to *d* by “2022”.

(2) Subsection 1 has effect from 16 December 2019.

150. (1) Sections 1029.8.36.166.60.31 to 1029.8.36.166.60.33 of the Act are amended by replacing “2022” in the portion before subparagraph *a* of the first paragraph by “2023”.

(2) Subsection 1 has effect from 16 December 2019.

151. (1) The Act is amended by inserting the following division after section 1029.8.36.166.60.35:

“DIVISION II.6.14.2.3

“CREDIT RELATING TO INVESTMENT AND INNOVATION

“§1. — *Interpretation and general rules*

“1029.8.36.166.60.36. In this division,

“aluminum producing corporation” for a taxation year means a corporation that, at any time in the year after 10 March 2020, carries on an aluminum producing business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust with which the corporation is associated;

“associated group” in a taxation year or a fiscal period has the meaning assigned by section 1029.8.36.166.60.37;

“eligible expenses” of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of a qualified property, has the meaning assigned by section 1029.8.36.166.40;

“excluded corporation” for a taxation year means

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

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

(c) an aluminum producing corporation for the year; or

(d) an oil refining corporation for the year;

“excluded expense amount” relating to a property, for a taxation year or a fiscal period, means

(a) where the property is a qualified property, the excluded expense amount relating to that property, determined in accordance with the first paragraph of section 1029.8.36.166.40 for the year or fiscal period;

(b) where the property is a specified property of a corporation, the lesser of

i. an amount that would be equal to the corporation’s specified expenses in respect of the specified property for the taxation year, if the definition of “specified expenses” were read without reference to “the amount by which the excluded expense amount relating to the corporation’s specified property for the particular year is exceeded by” in the portion of its paragraph *a* before subparagraph i, and

ii. an amount equal to the amount by which the exclusion threshold in respect of the specified property exceeds the aggregate of all amounts each of which is the excluded expense amount relating to that property for a preceding taxation year; or

(c) where the property is a specified property of a partnership, the lesser of

i. an amount that would be equal to the partnership's specified expenses in respect of the specified property for the fiscal period, if the definition of "specified expenses" were read without reference to "the amount by which the excluded expense amount relating to the partnership's specified property for the particular fiscal period is exceeded by" in the portion of its paragraph *b* before subparagraph i, and

ii. an amount equal to the amount by which the exclusion threshold in respect of the specified property exceeds the aggregate of all amounts each of which is the excluded expense amount relating to that property for a preceding fiscal period;

"excluded partnership" for a fiscal period means a partnership that, at any time in the fiscal period after 10 March 2020, carries on an aluminum producing business or an oil refining business;

"exclusion threshold" in respect of a specified property means, subject to the fourth paragraph,

(a) \$5,000, in the case of a property referred to in subparagraph ii or v of paragraph *b* of the definition of "specified property"; or

(b) \$12,500, in any other case;

"hydrometallurgy" means any processing of an ore or concentrate that produces a metal, metallic salt or metallic compound by carrying out a chemical reaction in an aqueous or organic solution;

"large investment project" has the meaning assigned by the first paragraph of section 737.18.17.1;

"limit relating to an unused portion" of a corporation for a taxation year means the aggregate of its total taxes for the year and of the amount determined for the year in its respect under the second paragraph of section 1029.8.36.166.60.45;

"maximum tax credit amount" of a corporation for a taxation year means the sum obtained by adding the amount by which its total taxes for the year exceed the amount it is deemed to have paid to the Minister for the year under section 1029.8.36.166.60.51 and the amount determined for the year in its respect under the first paragraph of section 1029.8.36.166.60.45;

“oil refining corporation” for a taxation year means a corporation that, at any time in the year after 10 March 2020, carries on an oil refining business or is the owner or lessee of property used in the carrying on of such a business by another corporation, a partnership or a trust, with which the corporation is associated;

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

“qualified management software package” means a property of a corporation or partnership that is a software package mainly enabling the management of one or more of the following elements:

(a) all of the operational processes of a business carried on by the corporation or partnership, as the case may be, by integrating all of the functions of the business;

(b) the interactions with the clients of the business carried on by the corporation or partnership, as the case may be, through multiple and interconnected communication channels; or

(c) a network of businesses carried on by the corporation or partnership, as the case may be, that are involved in the production of a product or the provision of a service required by the end client, to cover all movements of materials or information, from the point of origin to the point of consumption;

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

“qualified property” of a corporation or a partnership has the meaning assigned by section 1029.8.36.166.40;

“recognized business” has the meaning assigned by the first paragraph of section 737.18.17.1;

“refining” means any processing of a product from a smelting or concentration operation to remove impurities, which produces very high grade metal;

“smelting” means any processing of an ore or concentrate in the course of which the charge is melted and chemically converted to produce a slag and a matte or metal containing impurities;

“specified expenses” of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in respect of a specified property, means

(a) for a corporation, the amount by which the excluded expense amount relating to the corporation's specified property for the particular year is exceeded by the aggregate of the following expenses, except expenses incurred with a person with whom the corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation is not dealing at arm's length:

i. the expenses incurred by the corporation in the particular year to acquire the specified property that are included, at the end of that year, in the capital cost of the property and that are paid on or before the last day of the 18-month period following the end of that year, and

ii. the expenses incurred by the corporation to acquire the specified property in a preceding taxation year for which it was a qualified corporation that are included, at the end of the preceding year, in the capital cost of the property and that are paid in the particular year, but more than 18 months after the end of that preceding year; or

(b) for a partnership, the amount by which the excluded expense amount relating to the partnership's specified property for the particular fiscal period is exceeded by the aggregate of the following expenses, except expenses incurred with a corporation that is a member of the partnership or with a person with whom such a corporation, a specified shareholder of the corporation or, if the corporation is a cooperative, a specified member of the corporation is not dealing at arm's length:

i. the expenses incurred by the partnership in the particular fiscal period to acquire the specified property that are included, at the end of that fiscal period, in the capital cost of the property and that are paid on or before the last day of the 18-month period following the end of that fiscal period, and

ii. the expenses incurred by the partnership to acquire the specified property in a preceding fiscal period for which it was a qualified partnership that are included, at the end of the preceding fiscal period, in the capital cost of the property and that are paid in the particular fiscal period, but more than 18 months after the end of that preceding fiscal period;

“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 that could be cast at a meeting of the members of the cooperative;

“specified property” of a corporation or a partnership means a property, other than a property that is the subject of a valid election made in accordance with the second paragraph of section 1029.8.36.166.40, that meets the following conditions:

(a) the property is acquired by the corporation or partnership after 10 March 2020 and before 1 January 2025, but is not a property acquired pursuant to an obligation in writing entered into before 11 March 2020 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 10 March 2020;

(b) if no reference were made to section 93.6, the property would be

i. a property included in Class 43 of Schedule B to the Regulation respecting the Taxation Act (chapter I-3, r. 1),

ii. a property included in Class 50 of Schedule B to the Regulation respecting the Taxation Act,

iii. a property included in Class 53 of Schedule B to the Regulation respecting the Taxation Act,

iv. a property that would be included in Class 43 of Schedule B to the Regulation respecting the Taxation Act if subparagraphs i and ii of paragraph *b* of that class were read as follows:

“i. would be included in Class 10 under subparagraph *e* of the second paragraph of that class, if this schedule were read without reference to this paragraph and subparagraphs *a*, *b* and *e* of the first paragraph of Class 41, and

“ii. at the time of its acquisition, may reasonably be expected to be used entirely in Canada and primarily for the purposes of smelting, refining or hydrometallurgy activities in respect of ore (other than ore from a gold or silver mine) extracted from a mineral resource located in Canada.”, or

v. a property that is included in Class 12 of Schedule B to the Regulation respecting the Taxation Act, pursuant to subparagraph *o* of its first paragraph, and that is a qualified management software package;

(c) the property begins to be used within a reasonable time after being acquired;

(d) the property is used mainly in Québec, where it is described in subparagraph *v* of paragraph *b*, or solely in Québec, in any other case, and mainly in the course of carrying on a business;

(e) the property is not used, or acquired to be used, in the course of carrying on a recognized business in connection with which a large investment project is carried out or is in the process of being carried out;

(f) the property is not used in the course of operating an ethanol, biodiesel fuel or pyrolysis oil plant; and

(g) the property was not, before its acquisition, used for any purpose or acquired to be used or leased for any purpose whatever;

“territory with high economic vitality” means a municipality mentioned in Schedule I to the Act respecting the Communauté métropolitaine de Montréal (chapter C-37.01) or Schedule A to the Act respecting the Communauté métropolitaine de Québec (chapter C-37.02);

“territory with intermediate economic vitality” means a territory situated in Québec that is neither a territory with high economic vitality nor a territory with low economic vitality;

“territory with low economic vitality” means

(a) one of the following regional county municipalities:

- i. Municipalité régionale de comté d’Antoine-Labelle,
- ii. Municipalité régionale de comté d’Argenteuil,
- iii. Municipalité régionale de comté d’Avignon,
- iv. Municipalité régionale de comté de Bonaventure,
- v. Municipalité régionale de comté de Charlevoix-Est,
- vi. Municipalité régionale de comté de La Côte-de-Gaspé,
- vii. Municipalité régionale de comté de La Haute-Côte-Nord,
- viii. Municipalité régionale de comté de La Haute-Gaspésie,
- ix. Municipalité régionale de comté de La Matanie,
- x. Municipalité régionale de comté de La Matapédia,
- xi. Municipalité régionale de comté de La Mitis,
- xii. Municipalité régionale de comté de La Vallée-de-la-Gatineau,
- xiii. Municipalité régionale de comté de Maria-Chapdelaine,
- xiv. Municipalité régionale de comté de Matawinie,
- xv. Municipalité régionale de comté de Mékinac,
- xvi. Municipalité régionale de comté de Pontiac,
- xvii. Municipalité régionale de comté de Témiscouata,
- xviii. Municipalité régionale de comté des Appalaches,
- xix. Municipalité régionale de comté des Basques,

- xx. Municipalité régionale de comté des Etchemins,
- xxi. Municipalité régionale de comté des Sources,
- xxii. Municipalité régionale de comté du Golfe-du-Saint-Laurent, or
- xxiii. Municipalité régionale de comté du Rocher-Percé;

(b) one of the following urban agglomerations:

i. Communauté maritime des Îles-de-la-Madeleine, as described in section 9 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations (chapter E-20.001), or

ii. the urban agglomeration of La Tuque, as described in section 8 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations; or

(c) Ville de Shawinigan;

“total taxes” of a corporation for a taxation year means, subject to the third paragraph, the aggregate of its tax payable under this Part for the year and of its tax payable under Parts IV.1, VI and VI.1 for the year;

“unused portion of the tax credit” of a corporation for a taxation year means the amount by which the total amount that the corporation would be deemed to have paid to the Minister for that year under the first paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if no reference were made to their third paragraph, exceeds the corporation’s maximum tax credit amount for the year.

For the purposes of the definition of “specified expenses” in the first paragraph, the following rules are taken into account:

(a) the expenses that are included, at the end of a taxation year or fiscal period, in the capital cost of a property do not include the expenses so included under section 180 or 182;

(b) the expenses incurred to acquire a property must be incurred before 1 January 2025; and

(c) the specified expenses in respect of a specified property for a taxation year or fiscal period must be reduced by the portion of those expenses that are eligible expenses within the meaning of the first paragraph of section 1029.8.36.166.60.19.

Where a corporation is, for a taxation year, deemed to have paid an amount to the Minister under this division, otherwise than under any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, and an amount under Division II.6.14.2, otherwise than under any of sections 1029.8.36.166.55 to

1029.8.36.166.57, the corporation's otherwise determined total taxes for the year are, for the purposes of this division, reduced by all or part of those amounts that the corporation takes into account in computing its total taxes for the year for the purposes of Division II.6.14.2.

Where a specified property is acquired in connection with a joint venture, the exclusion threshold in respect of the specified property for a corporation or partnership holding a share in the property as a party to such a venture is, for the purposes of the definition of "excluded expense amount" in the first paragraph, deemed to be equal to the amount obtained by multiplying the amount that would correspond to that threshold but for this paragraph by the proportion that corresponds to the share of the corporation or partnership, as the case may be, in the property.

"1029.8.36.166.60.37. An associated group, in a taxation year, means all the corporations that are associated with each other in the year.

For the purposes of the first paragraph, a business carried on by an individual, other than a trust, is deemed, at a particular time, to be carried on by a corporation all the voting shares in the capital stock of which are owned by the individual at that time.

"1029.8.36.166.60.38. For the purposes of this division, the balance of a qualified corporation's cumulative specified expense limit for a particular taxation year is equal to

(a) where the qualified corporation is not a member of an associated group in the particular year, the amount by which \$100,000,000 exceeds the total of

i. the aggregate of all amounts each of which is the corporation's specified expenses in respect of a specified property, for a taxation year (in this subparagraph *a* referred to as a "preceding year concerned") that ends in the 48-month period preceding the beginning of the particular year, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero,

ii. the aggregate of all amounts each of which is the corporation's share of a partnership's specified expenses in respect of a specified property, for a fiscal period of the partnership that ends in a preceding year concerned, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero,

iii. the aggregate of all amounts each of which is the portion of the corporation's eligible expenses in respect of a qualified property, for the particular year or a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.43

and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for that year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero, and

iv. the aggregate of all amounts each of which is the corporation's share of the portion of a partnership's eligible expenses in respect of a qualified property, for a fiscal period of the partnership that ends in the particular year or a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for that year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero; or

(*b*) where the qualified corporation is a member of an associated group in the particular year,

i. the amount attributed for the particular year to the corporation pursuant to the agreement described in the second paragraph and filed with the Minister in the prescribed form, or

ii. if no amount is attributed to the corporation pursuant to the agreement to which subparagraph i refers or in the absence of such an agreement but subject to section 1029.8.36.166.60.39, zero.

The agreement to which subparagraph i of subparagraph *b* of the first paragraph refers, in respect of a particular taxation year of the qualified corporation, is the agreement under which all the corporations that are members of the associated group in the particular taxation year attribute, for the purposes of this section, to one or more of the corporations that are members of the associated group, for the particular taxation year, one or more amounts the total of which is not greater than the amount by which \$100,000,000 exceeds the total of

(*a*) the aggregate of all amounts each of which is the specified expenses of a corporation that is a member of the associated group in the particular year in respect of a specified property, for a taxation year (in this paragraph referred to as a "preceding year concerned") that ends in a 48-month period preceding the beginning of the particular year, in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero;

(*b*) the aggregate of all amounts each of which is the share of a corporation that is a member of the associated group in the particular year of a partnership's specified expenses in respect of a specified property, for a fiscal period of the partnership that ends in a preceding year concerned of the corporation, in respect of which an amount would be deemed to have been paid to the Minister

by the corporation for the preceding year concerned under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero;

(c) the aggregate of all amounts each of which is the portion of the eligible expenses of a corporation that is a member of the associated group in the particular year in respect of a qualified property, for a taxation year (in this paragraph referred to as a “specified year”) that ends in the particular year or is a preceding year concerned, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.43 and in respect of which an amount would be deemed to have been paid to the Minister by that corporation for the specified year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero; and

(d) the aggregate of all amounts each of which is the share of a corporation that is a member of the associated group in the particular year of the portion of a partnership’s eligible expenses in respect of a qualified property, for a fiscal period of the partnership that ends in a specified year of the corporation, that would be referred to in subparagraph i of subparagraph *a* of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister by that corporation for the specified year under that section if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

Where 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 is greater than the excess amount determined under that paragraph, the amount determined under subparagraph i of 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 amount obtained by multiplying that excess amount by the proportion that the amount that was attributed to the corporation in the agreement, in respect of the year, is of the aggregate of the amounts that were so attributed.

“1029.8.36.166.60.39. Where corporations are part, in a taxation year, of an associated group and where a corporation that is a member of that group fails to file with the Minister the agreement to which subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.166.60.38 refers within 30 days after notice in writing by the Minister has been sent to such a corporation 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 this division, attribute an amount to one or more of the corporations that are members of that group for the taxation year, which amount or the aggregate of which amounts, as the case may be, must be equal to the excess amount determined for the year under the second

paragraph of section 1029.8.36.166.60.38, and, in such a case, the balance of the cumulative specified expense limit of each of those corporations, for the year, is equal to the amount so attributed to it.

“1029.8.36.166.60.40. For the purposes of this division, the balance of a qualified partnership’s cumulative specified expense limit for a particular fiscal period is equal to the amount by which \$100,000,000 exceeds the total of

(a) the aggregate of all amounts each of which is its specified expenses, in respect of a specified property, for a fiscal period (in this section referred to as the “preceding fiscal period concerned”) that ends in the 48-month period preceding the beginning of the particular fiscal period, in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero; and

(b) the aggregate of all amounts each of which is the portion of its eligible expenses, in respect of a qualified property, for the particular fiscal period or a preceding fiscal period concerned, that would be referred to in subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.166.44 and in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.44 if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

“1029.8.36.166.60.41. For the purposes of this division, the balance of a joint venture’s cumulative specified expense limit for a particular fiscal period of the joint venture is equal to the amount by which \$100,000,000 exceeds the total of

(a) the aggregate of all amounts each of which is the specified expenses incurred by a corporation or a partnership in respect of a specified property as a party to the joint venture, in a fiscal period of the joint venture (in this paragraph referred to as the “preceding fiscal period concerned”) that ends in the 48-month period preceding the beginning of the particular fiscal period, in respect of which an amount would be deemed to have been paid to the Minister under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, as the case may be, if no reference were made to its third paragraph and the excluded expense amount relating to the specified property were equal to zero; and

(b) the aggregate of all amounts each of which is the portion of the eligible expenses incurred by a corporation or a partnership in respect of a qualified property as a party to the joint venture, in the particular fiscal period or a preceding fiscal period concerned of the joint venture, that would be referred to in subparagraph i of subparagraph a of the first paragraph of section 1029.8.36.166.43 or 1029.8.36.166.44, as the case may be, and in respect of which an amount would be deemed to have been paid to the Minister

under section 1029.8.36.166.43 or 1029.8.36.166.44 if no reference were made to its third paragraph and the excluded expense amount relating to the qualified property were equal to zero.

For the purposes of this section, a joint venture is deemed to be a partnership whose fiscal period ends on 31 December of a calendar year.

For the purposes of this division, the share of a corporation for a taxation year, or of a partnership for a fiscal period, of the balance of a joint venture's cumulative specified expense limit is equal,

(a) in the case of a corporation,

i. where its taxation year does not end on 31 December of a calendar year, to the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for a fiscal period of the joint venture, a part of which is included in the taxation year, that the specified expenses incurred by the corporation as a party to the joint venture in that part of the fiscal period is of the aggregate of the specified expenses incurred by the corporation as a party to the joint venture in that fiscal period, or

ii. where its taxation year ends on 31 December of a calendar year, to its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period whose end coincides with the end of the corporation's taxation year; and

(b) in the case of a partnership,

i. where its fiscal period does not end on 31 December of a calendar year, to the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period, a part of which is included in the partnership's fiscal period, that the specified expenses incurred by the partnership as a party to the joint venture in that part of the joint venture's fiscal period is of the aggregate of the specified expenses incurred by the partnership as a party to the joint venture in that fiscal period of the joint venture, or

ii. where its fiscal period ends on 31 December of a calendar year, to its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative specified expense limit for the joint venture's fiscal period whose end coincides with the end of the partnership's fiscal period.

The share to which the third paragraph refers of a corporation or a partnership of the balance of a joint venture's cumulative specified expense limit for a fiscal period of the joint venture is equal to the proportion of that amount that the specified expenses incurred by the corporation or partnership, as the case may be, in that fiscal period as a party to the joint venture is of the aggregate of the specified expenses incurred in the joint venture's fiscal period.

“1029.8.36.166.60.42. For the purposes of this division, the assets that apply to a corporation for a taxation year are those that are 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 so prepared, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of that fiscal period.

However, where the corporation is a cooperative, the first paragraph is to be read as if “submitted to the shareholders” were replaced by “submitted to the members”.

In computing the assets of a corporation, the amount of the surplus reassessment of its property and the amount of its incorporeal assets must be subtracted, to the extent that the amount shown exceeds the expenditure made in their respect.

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.

Where, in a taxation year, a corporation is a member of an associated group, the assets that apply to the corporation for the year are equal to the amount by which the aggregate of the assets of the corporation and of those of each other corporation that is a member of the group, determined in accordance with this section, exceeds the aggregate of the amount of investments the corporations own in each other and the balance of accounts between the corporations.

“1029.8.36.166.60.43. Where, in relation to a taxation year, a qualified corporation or, where it is a member of an associated group in the year, another corporation that is a member of that group reduces its assets by any transaction and that reduction increases the amount that the qualified corporation would, but for this section, be deemed to have paid to the Minister under this division for that year, the assets are deemed not to have been so reduced unless the Minister decides otherwise.

“1029.8.36.166.60.44. For the purposes of this division, the gross revenue that applies to a qualified corporation for a taxation year is its gross revenue for the preceding taxation year.

Where a qualified corporation is a member of an associated group in a taxation year, the gross revenue that applies to it for the year is the amount that would be the associated group's gross revenue for its preceding taxation year if it were computed on the basis of the consolidated income statement of the members of the associated group for the preceding year and each member of the group had an establishment in Québec.

For the purpose of preparing the consolidated income statement of the members of an associated group for a particular taxation year of a corporation, the income statements taken into account are that of the corporation for the particular year and those of the other corporations that are members of the group for their taxation year that ends in the particular year.

“1029.8.36.166.60.45. The amount to which the definition of “maximum tax credit amount” in the first paragraph of section 1029.8.36.166.60.36 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the total amount that the corporation would be deemed to have paid to the Minister for the taxation year under sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if no reference were made to their third paragraph exceeds the amount by which its total taxes for the year exceed the amount it is deemed to have paid to the Minister for the year under section 1029.8.36.166.60.51.

The amount to which the definition of “limit relating to an unused portion” in the first paragraph of section 1029.8.36.166.60.36 refers, in relation to a corporation for a taxation year, is equal to the product obtained by multiplying, by the proportion determined by the formula in the third paragraph, the amount by which the aggregate of all amounts each of which is an excess amount described in subparagraph *a* of the first paragraph of section 1029.8.36.166.60.51 exceeds the corporation's total taxes for the year.

The formula to which the first and second paragraphs refer is

$$1 - [(A - \$50,000,000)/\$50,000,000].$$

In the formula in the third paragraph, A is the greater of

(a) \$50,000,000; and

(b) the greater of the assets and the gross revenue that applies to the corporation for the taxation year, without exceeding \$100,000,000.

“1029.8.36.166.60.46. Where it may reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a taxation year is to cause a qualified corporation to be deemed to have paid an amount to the Minister under this division for that year or to increase an amount that such a corporation is deemed to have paid to the Minister under this division for that year, those corporations are deemed, for the purposes of this division, to be associated with each other in the year.

“1029.8.36.166.60.47. For the purposes of this division, a corporation’s share of a particular amount, in relation to a partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

“§2. — *Credits*

“1029.8.36.166.60.48. A qualified corporation for a taxation year that encloses the documents described in the fifth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its specified expenses for the year in respect of a specified property by the rate determined in respect of the property for the year under section 1029.8.36.166.60.50, to the extent that those expenses are paid and that the aggregate of those expenses is established subject to the second paragraph and does not include the portion, determined by the qualified corporation, of its specified expenses incurred in the year as a party to a joint venture that exceeds its share for the year of the balance of the joint venture’s cumulative specified expense limit.

The total of the specified expenses referred to in the first paragraph in respect of a corporation for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative specified expense limit for the year exceeds the aggregate of all amounts each of which is its share of the specified expenses that would be referred to in the first paragraph of section 1029.8.36.166.60.49 for the year and in respect of which the corporation would be deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.60.49 if no reference were made to its third paragraph and if the definition of “specified expenses” in the first paragraph of section 1029.8.36.166.60.36 were read without reference to “the amount by which the excluded expense amount relating to the partnership’s specified property for the particular fiscal period is exceeded by” in the portion of its paragraph *b* before subparagraph *i*.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.60.49 may not exceed the corporation’s maximum tax credit amount for the year.

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

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

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

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

(a) the prescribed form containing prescribed information; and

(b) a copy of the agreement described in section 1029.8.36.166.60.38, if applicable.

“1029.8.36.166.60.49. A qualified corporation for a taxation year that is a member of a qualified partnership at the end of a particular fiscal period of the partnership that ends in the year and that encloses the documents described in the sixth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation’s balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its share of the partnership’s specified expenses for the particular fiscal period in respect of a specified property by the rate determined for the year under section 1029.8.36.166.60.50, in respect of the property, to the extent that those expenses are paid and that its share of the aggregate of those expenses is established subject to the second paragraph and includes neither its share of the portion, determined by the qualified corporation, of the qualified partnership’s specified expenses for the particular fiscal period that exceeds the balance of the partnership’s cumulative specified expense limit for the particular fiscal period, nor its share of the portion, determined by the qualified corporation, of such expenses incurred by the partnership in the particular fiscal period as a party to a joint venture that exceeds the partnership’s share for the particular fiscal period of the balance of the joint venture’s cumulative specified expense limit.

The total of all amounts each of which is a corporation’s share of the specified expenses that are referred to in the first paragraph for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative specified expense limit for the year exceeds the total of the specified expenses that would be referred to in the first paragraph of section 1029.8.36.166.60.48 for the year and in respect of which the corporation would be deemed to have paid an amount to the Minister for the year under section 1029.8.36.166.60.48 if no reference were made to its third paragraph and if the definition of “specified expenses” in the first paragraph of section 1029.8.36.166.60.36 were read

without reference to “the amount by which the excluded expense amount relating to the corporation’s specified property for the particular year is exceeded by” in the portion of its paragraph *a* before subparagraph *i*.

The total amount that the corporation is deemed to have paid to the Minister for the year under the first paragraph and, if applicable, under the first paragraph of section 1029.8.36.166.60.48 may not exceed the corporation’s maximum tax credit amount for the year.

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

Despite the definition of “specified expenses” in the first paragraph of section 1029.8.36.166.60.36 and for the purpose of applying this section to a corporation referred to in the first paragraph, the specified expenses of a partnership of which the corporation is a member for a particular fiscal period, in respect of a specified property, do not include the expenses that would otherwise be such specified expenses because of subparagraph *ii* of paragraph *b* of that definition and that are incurred in a fiscal period of the partnership that ends in a taxation year for which the corporation was not a qualified corporation.

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

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

(*b*) a copy of the agreement described in section 1029.8.36.166.60.38, if applicable.

“1029.8.36.166.60.50. The rate to which the first paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 refers in respect of a specified property of a corporation or a partnership for a particular taxation year is

(a) where the specified property is acquired to be used mainly in a territory with low economic vitality, 20%;

(b) where the specified property is acquired to be used mainly in a territory with intermediate economic vitality, 15%; or

(c) where the specified property is acquired to be used mainly in a territory with high economic vitality, 10%.

Where a specified property that is referred to in subparagraph v of paragraph b of the definition of that expression in the first paragraph of section 1029.8.36.166.60.36 is acquired by a qualified corporation or a qualified partnership to be used in several establishments of the corporation or partnership without it being possible to determine in which territory referred to in the first paragraph the property is to be mainly used, the property is, for the purposes of the first paragraph, deemed to be acquired to be so used

(a) in a territory with low economic vitality if, in the first taxation year or the first fiscal period, as the case may be, in which specified expenses were incurred for the acquisition of the property, the proportion that the aggregate of the salaries or wages paid by the corporation or partnership to its employees who report for work at one of its establishments situated in a territory with low economic vitality is of the aggregate of the salaries or wages it paid to its employees who report for work at one of its establishments situated in Québec exceeds 50%;

(b) in a territory with intermediate economic vitality if subparagraph a does not apply and if, in the first taxation year or the first fiscal period, as the case may be, in which specified expenses were incurred for the acquisition of the property, the proportion that the aggregate of the salaries or wages paid by the corporation or partnership to its employees who report for work at one of its establishments situated in a territory with intermediate economic vitality or in a territory with low economic vitality is of the aggregate of the salaries or wages it paid to its employees who report for work at one of its establishments situated in Québec exceeds 50%; or

(c) in any other case, in a territory with high economic vitality.

For the purposes of the second paragraph, the following rules are taken into account:

(a) where, in a taxation year or a fiscal period, an employee reports for work at an establishment of a corporation or partnership situated in Québec and at an establishment of the corporation or partnership situated outside Québec, the employee is deemed, for that period,

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 corporation or partnership situated outside Québec;

(b) where, in a taxation year or a fiscal period, an employee reports for work at several establishments of a corporation or partnership and those establishments are situated in territories referred to in the first paragraph that do not have the same level of economic vitality, the employee is deemed, for that period,

i. to report for work only at an establishment situated in a territory with low economic vitality if the employee reports for work mainly, during that period, at one or more establishments of the corporation or partnership situated in such a territory,

ii. to report for work only at an establishment situated in a territory with intermediate economic vitality if subparagraph i does not apply and the employee reports for work mainly, during that period, at one or more establishments of the corporation or partnership situated in such a territory or in a territory with low economic vitality, or

iii. in any other case, to report for work only at an establishment situated in a territory with high economic vitality; and

(c) where, in a taxation year or a fiscal period, an employee is not required to report for work at an establishment of a corporation or partnership and the employee's wages in relation to that period are paid from such an establishment situated in Québec, the employee is deemed to report for work at that establishment if the duties performed by the employee during that period are performed mainly in Québec.

“1029.8.36.166.60.51. Subject to section 1029.8.36.166.60.54, a corporation that encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a particular taxation year is deemed, subject to the second paragraph, to have paid to the Minister on the corporation's balance-due day for the particular year, on account of its tax payable for that year under this Part, an amount equal to the aggregate of all amounts each of which is the lesser of

(a) the amount by which the unused portion of the tax credit of the corporation for a taxation year (in subparagraph *b* referred to as the “original year”) that is any of the 20 taxation years that precede the particular year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section or section 1029.8.36.166.60.52, in respect of the unused portion of the tax credit, on account of its tax payable for a taxation year preceding the particular year; and

(b) the amount by which the corporation's limit relating to an unused portion for the particular year exceeds the aggregate of all amounts each of which is equal to the amount deemed to be paid by the corporation under this section, for the particular year, in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the original year.

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

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

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

“1029.8.36.166.60.52. Subject to section 1029.8.36.166.60.55, a corporation is deemed, for a particular taxation year ending after 10 March 2020, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file under section 1000 for a taxation year (in this section referred to as the “subsequent year”) that is any of the three taxation years that follow the particular year, to have paid to the Minister, in relation to the unused portion of the tax credit of the corporation for the subsequent year, on the day on which the form is filed with the Minister, an amount equal to the lesser of

(a) the amount by which the unused portion of the tax credit of the corporation for the subsequent year exceeds the aggregate of all amounts each of which is an amount deemed to have been paid to the Minister by the corporation under this section, in respect of the unused portion, for a taxation year preceding the particular year; and

(b) the amount by which its total taxes for the particular year exceed the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for the particular year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.49 and 1029.8.36.166.60.51, or under this section in respect of the unused portion of the tax credit of the corporation for a taxation year preceding the subsequent year.

“1029.8.36.166.60.53. No amount may be deemed to have been paid to the Minister by a qualified corporation for a particular taxation year under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, in relation to its specified expenses or its share of a qualified partnership’s specified expenses, as the case may be, in respect of a specified property, where, at any time during the period described in the second paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph *v* of paragraph *b* of the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the qualified corporation’s filing-due date for the particular taxation year or the last day of the six-month period following the end of the qualified partnership’s fiscal period that ends in the particular year, as the case may be.

“1029.8.36.166.60.54. Where, at any time, control of a corporation is acquired by a person or a group of persons, no amount may, for a particular taxation year ending after that time, be deemed, under section 1029.8.36.166.60.51, to have been paid to the Minister by the corporation in respect of its unused portion of the tax credit for a taxation year ending before that time.

However, subject to section 1029.8.36.166.60.53, the corporation may be deemed to have paid an amount to the Minister, for such a particular taxation year, in respect of the portion of the unused portion of the tax credit for a taxation year ending before that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.60.51 in respect of the portion referred to in the second paragraph must be determined as if the total

taxes used in establishing, for the particular year, the corporation's limit relating to an unused portion referred to in subparagraph *b* of the first paragraph of that section were the portion of such total taxes of the corporation for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

“1029.8.36.166.60.55. Where, at any time, control of a corporation is acquired by a person or a group of persons, no amount may, for a particular taxation year ending before that time, be deemed, under section 1029.8.36.166.60.52, to have been paid to the Minister by the corporation in respect of its unused portion of the tax credit for a taxation year ending after that time.

However, the corporation may be deemed to have paid an amount to the Minister, for such a particular taxation year, in respect of the portion of the unused portion of the tax credit for a taxation year ending after that time that may reasonably be considered to be attributable to the carrying on of a business, if the corporation carried on the business throughout that taxation year and in the particular year for profit or with a reasonable expectation of profit.

The amount that the corporation may be deemed to have paid to the Minister for the particular year under section 1029.8.36.166.60.52 in respect of the portion referred to in the second paragraph must be determined as if the reference to the total taxes in that section were a reference to the portion of the corporation's total taxes for the particular year that may reasonably be attributed to the carrying on of that business and—if the corporation sold, leased, rented or developed properties or rendered services in the course of carrying on that business before that time—of any other business substantially all the income of which is derived from the sale, leasing, rental or development, as the case may be, of similar properties, or the rendering of similar services.

“1029.8.36.166.60.56. For the purposes of this division, a corporation or partnership deemed to have acquired a property at a particular time under paragraph *b* of section 125.1 is deemed to have acquired the property at that time in consideration for expenses, incurred and paid at that time, that correspond to the fair market value of the property at that time, and to own the property from that time until the corporation or partnership is deemed to dispose of the property under paragraph *f* of section 125.1.

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

“1029.8.36.166.60.57. For the purpose of computing the amount that is deemed to have been paid to the Minister by a corporation, for a taxation year, under section 1029.8.36.166.60.48 or 1029.8.36.166.60.49, the following rules apply:

(a) the amount of the specified expenses referred to in the first paragraph of section 1029.8.36.166.60.48 is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to those expenses, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation's filing-due date for the taxation year; and

(b) the corporation's share of a partnership's specified expenses, referred to in the first paragraph of section 1029.8.36.166.60.49, for the partnership's fiscal period that ends in the 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 those expenses, that the partnership has received, is entitled to receive or may reasonably expect to receive on or before the last day of the six-month period following the end of the fiscal period, and

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

“1029.8.36.166.60.58. For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.51 for a particular taxation year in respect of its unused portion of the tax credit for a particular preceding taxation year, in relation to specified expenses of the corporation or of a partnership of which it was a member at the end of the partnership's fiscal period ending in the particular preceding year, the unused portion of the tax credit of the corporation, otherwise determined, is to be reduced by the amount determined under the second paragraph if

(a) in the particular year or a preceding taxation year, an amount relating to the corporation's specified expenses, other than an amount reducing those expenses in accordance with section 1029.8.36.166.60.57 or 1029.8.36.166.60.65, is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or

(b) in a fiscal period of the partnership ending in the particular year or in a preceding taxation year and at the end of which the corporation is a member of the partnership, an amount relating to the partnership's specified expenses, other than an amount reducing those expenses in accordance with section 1029.8.36.166.60.57 or 1029.8.36.166.60.65, is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The amount to which the first paragraph refers is equal to the amount by which the unused portion of the tax credit of the corporation for the particular preceding year, otherwise determined, exceeds the amount that would be the amount of the unused portion of the tax credit of the corporation if

(a) any amount referred to in subparagraph *a* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation were directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation in the particular preceding year; and

(b) any amount referred to in subparagraph *b* of the first paragraph that is, directly or indirectly, refunded or otherwise paid to the corporation or partnership or allocated to a payment to be made by the corporation or partnership were directly or indirectly, refunded or otherwise paid to the corporation or partnership or allocated to a payment to be made by the corporation or partnership in the partnership's fiscal period ending in the particular preceding year.

Where, in respect of the specified expenses referred to in the first paragraph, a person other than the corporation, or a partnership other than the partnership of which the corporation is a member, has obtained, at a particular time, a benefit or advantage that would have reduced those expenses in accordance with section 1029.8.36.166.60.65 if the person or partnership had obtained it, had been entitled to obtain it or could reasonably have expected to obtain it on or before the corporation's filing-due date for the particular preceding taxation year, or on or before the last day of the six-month period following the end of the fiscal period of the partnership of which the corporation is a member that ended in the particular preceding taxation year, the benefit or advantage is, for the purposes of the first and second paragraphs,

(a) if those expenses were incurred by the corporation, deemed to be an amount that is paid to the corporation at that time; or

(b) if those expenses were incurred by the partnership of which the corporation is a member, deemed to be

i. an amount that is paid to that partnership at that time, where that benefit or advantage has been obtained by another partnership or by a person other than the person referred to in subparagraph ii, or

ii. an amount that is paid to the corporation at that time, where that benefit or advantage has been obtained by a person with whom the corporation does not deal at arm's length.

“1029.8.36.166.60.59. For the purpose of applying section 1029.8.36.166.60.58 to a corporation for a taxation year, the specified expenses, in respect of a specified property, of the corporation for a particular preceding taxation year or of a partnership for a fiscal period of the partnership that ends in the particular preceding year and at the end of which the corporation was a member of the partnership, are deemed to be repaid to the corporation or partnership, as the case may be, at a particular time of the period described in the second paragraph, where the property ceases, at that time, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred

to in subparagraph *v* of paragraph *b* of the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the particular time; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the particular time.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies, and that ends on the earlier of

(*a*) the 730th day following the particular day; and

(*b*) the last day of the corporation’s taxation year or of the partnership’s fiscal period, as the case may be, that includes the particular time.

The first paragraph does not apply to a corporation for a taxation year, in relation to specified expenses, in respect of a specified property, of the corporation for a particular preceding taxation year or of a partnership of which the corporation is a member for a fiscal period that ends in the particular preceding taxation year, if section 1029.8.36.166.60.53 applied, in relation to the specified expenses, for the particular preceding taxation year.

“1029.8.36.166.60.60. 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 paragraph *a* of section 1029.8.36.166.60.57, the corporation’s specified expenses in respect of a specified property for a particular taxation year, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.36.166.60.48 for that particular year, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that it would be deemed to have paid to the Minister, in respect of its specified expenses for the particular year, under section 1029.8.36.166.60.48 for the particular year, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the repayment year, if any amount of such assistance so repaid

at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in paragraph *a* of section 1029.8.36.166.60.57, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, in respect of those expenses, under section 1029.8.36.166.60.48 for the particular year, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the repayment year; 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 such assistance.

“1029.8.36.166.60.61. 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 paragraph *b* of section 1029.8.36.166.60.57, a corporation’s share of the partnership’s specified expenses in respect of a specified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership’s specified expenses for the particular fiscal period, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

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

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

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of paragraph b of section 1029.8.36.166.60.57; and

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

“1029.8.36.166.60.62. 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 paragraph b of section 1029.8.36.166.60.57, its share of the partnership’s specified expenses in respect of a specified property for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership’s specified expenses for the particular fiscal period, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year in which the fiscal period of repayment ends, exceeds the aggregate of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.36.166.60.49 for its taxation year in which the particular fiscal period ends, or under section 1029.8.36.166.60.51 or 1029.8.36.166.60.52 for another taxation year that precedes the taxation year

in which the fiscal period of repayment ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

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

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

(a) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of paragraph b of section 1029.8.36.166.60.57; and

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

“1029.8.36.166.60.63. For the purposes of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62, an amount of assistance is deemed to be repaid, at a particular time, by a corporation or a partnership, as the case may be, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.166.60.57, specified 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 1029.8.36.166.60.48 or 1029.8.36.166.60.49;

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

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

“1029.8.36.166.60.64. For the purpose of computing the amount that a corporation is deemed to have paid to the Minister under section 1029.8.36.166.60.51 for a particular taxation year in respect of its unused portion of the tax credit for a particular preceding taxation year, the unused portion of the tax credit of the corporation, otherwise determined, must, if the conditions set out in the second paragraph are met for the particular year or for a preceding taxation year (each of which is referred to in this section as a “year of increase”), be increased by the aggregate of all amounts each of which is the excess amount referred to in subparagraph b of the second paragraph for a year of increase.

For the purposes of the first paragraph, the conditions that must be met for a year of increase are as follows:

(a) any of sections 1029.8.36.166.60.60 to 1029.8.36.166.60.63 applies to the corporation for the year of increase in relation to a particular amount that may reasonably be considered to be a repayment, made in the year of increase or in a partnership's fiscal period ending in the year of increase, of government assistance or non-government assistance that reduced, because of section 1029.8.36.166.60.57, the corporation's specified expenses, in respect of a specified property, for the particular preceding year or the corporation's share of the partnership's specified expenses, in respect of a specified property, for a fiscal period of the partnership ending in the particular preceding year; and

(b) the total amount that the corporation would be deemed to have paid to the Minister for the particular preceding year under sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 if the assumptions set out in the third paragraph were taken into account exceeds the particular amount determined under the fourth paragraph.

The total amount to which subparagraph *b* of the second paragraph refers is to be computed as if

(a) no reference were made to the third paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49;

(b) where section 1029.8.36.166.60.61 or 1029.8.36.166.60.62 applies to the corporation for the year of increase, the agreed proportion, in respect of the corporation for the partnership's fiscal period ending in the particular preceding year, were the same as that for the fiscal period ending in the year of increase; and

(c) any particular amount referred to in subparagraph *a* of the second paragraph that may reasonably be considered to be a repayment of government assistance or non-government assistance referred to in that subparagraph reduced the amount of government assistance or non-government assistance.

The particular amount to which subparagraph *b* of the second paragraph refers is the aggregate of

(a) the total amount that would be determined under that subparagraph *b* if no reference were made to subparagraph *c* of the third paragraph; and

(b) the total amount that the corporation is deemed to have paid to the Minister for the year of increase under sections 1029.8.36.166.60.60 to 1029.8.36.166.60.62.

“1029.8.36.166.60.65. Where, in relation to specified expenses of a qualified corporation or of a qualified partnership, in respect of a specified property, 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 acquisition of the specified property, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the following rules apply:

(a) for the purpose of computing the amount that the qualified corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.166.60.48, the amount of the specified expenses is to be reduced by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation's filing-due date for the year; and

(b) for the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year under section 1029.8.36.166.60.49 by a qualified corporation that is a member of the qualified partnership, the corporation's share, for the partnership's fiscal period that ends in the taxation year, of the amount of the specified expenses, is to be reduced

i. by the corporation's share, for the fiscal period, of the amount of the benefit or advantage that the person or partnership, other than a person referred to in subparagraph ii, has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the fiscal period, and

ii. by the amount of the benefit or advantage that the qualified corporation or a person with whom it does not deal at arm's length has obtained, is entitled to obtain or may reasonably expect to obtain on or before the last day of the six-month period following the end of the fiscal period.”

(2) Subsection 1 applies in respect of expenses incurred after 10 March 2020.

152. (1) Section 1029.8.61.1 of the Act is amended, in the first paragraph,

(1) by replacing subparagraph iii of paragraph *a* of the definition of “eligible service” by the following subparagraph:

“iii. a person, or the spouse of that person, who is deemed, in respect of the eligible individual, to have paid an amount on account of the person's or spouse's tax payable under section 1029.8.61.96.12 or 1029.8.61.96.13 for the taxation year in which the service is rendered or to be rendered to the eligible individual; or”;

(2) by replacing paragraph *c* of the definition of “dwelling unit” by the following paragraph:

“(c) a room situated in a self-contained domestic establishment maintained by a person, or by the person's spouse, who is the owner, lessee or sublessee of the self-contained domestic establishment and who, in respect of the eligible

individual occupying the room, is deemed to have paid an amount on account of tax payable, for the taxation year in which an eligible service is rendered or to be rendered in respect of the eligible individual, under section 1029.8.61.96.12, if the eligible individual is a person referred to in paragraph *a* of that section, or under section 1029.8.61.96.13;”.

(2) Subsection 1 applies in respect of a service rendered or to be rendered in a taxation year beginning after 31 December 2019.

153. (1) Divisions II.11.3 to II.11.7.1 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.61.61 to 1029.8.61.96.9, are repealed.

(2) Subsection 1 applies from the taxation year 2020, except where it repeals Divisions II.11.4 and II.11.5 of Chapter III.1 of Title III of Book IX of Part I of the Act, in which case it applies from the taxation year 2021. In addition, where section 1029.8.61.71 of the Act applies to the taxation year 2020, the first paragraph is to be read

(1) as if “, as it read before being repealed” were inserted after “section 1029.8.61.61” in the definition of “informal caregiver” and in paragraph *c* of the definition of “excluded individual”; and

(2) as if “, as it read before being repealed” were inserted after “section 1029.8.61.64” in paragraph *c* of the definition of “excluded individual”.

154. (1) The Act is amended by inserting the following division after section 1029.8.61.96.9:

“DIVISION II.11.7.2

“CREDIT FOR CAREGIVERS

“§1.—*Interpretation and general rules*

“1029.8.61.96.10. In this division,

“eligible carereceiver”, in relation to an individual, means a person in respect of whom the following conditions are met:

(*a*) the person is

i. the child, grandchild, nephew, niece, brother, sister, father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual’s spouse, or any other direct ascendant of the individual or of the individual’s spouse,

ii. the individual’s spouse, or

iii. any other person to whom the individual provides sustained assistance in performing a basic activity of daily living, as certified in the prescribed form provided for in subparagraph *e* of the first paragraph of section 1029.8.61.96.20;

(*b*) the person has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person's ability to perform a basic activity of daily living is markedly restricted or that the person's ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living;

(*c*) the person needs assistance to perform a basic activity of daily living because of the person's impairment; and

(*d*) the dwelling that is the person's principal place of residence is situated in Québec and is not an excluded dwelling;

“eligible senior relative” of an individual for a taxation year means a person who meets the following conditions:

(*a*) the person is the father, mother, uncle, aunt, grandfather, grandmother, great-uncle or great-aunt of the individual or of the individual's spouse, or any other direct ascendant of the individual or of the individual's spouse; and

(*b*) the person has reached 70 years of age before the end of the year or, if the person died in the year, the person had reached that age at the time of the death;

“excluded amount” means

(*a*) an amount in respect of which a taxpayer is or was entitled to a reimbursement, or another form of assistance, except to the extent that the amount is included in computing the income of any taxpayer and is not deductible in computing that taxpayer's income or taxable income;

(*b*) an amount that was taken into account in computing an amount deducted in computing an individual's tax payable under this Part; or

(*c*) an amount that is taken into account in computing an amount that an individual is deemed to have paid to the Minister on account of the individual's tax payable under this chapter, but otherwise than under this division;

“excluded dwelling” means a self-contained domestic establishment or a room that is situated in a private seniors' residence, in a facility maintained by a private institution not under agreement that operates a residential and long-term care centre governed by the Act respecting health services and social services (chapter S-4.2) or in a public network facility;

“minimum cohabitation period” of a person with an individual for a taxation year is a period of at least 365 consecutive days commencing in the year or in the preceding year throughout which the person ordinarily lives with the individual in a self-contained domestic establishment, other than an excluded dwelling, of which the individual or the person, or the spouse of either of them if the spouse lives with them, is, throughout the period, alone or jointly with another person, the owner, lessee or sublessee, where

(a) the period includes a period of at least 183 days in the year (in this definition referred to as the “particular period”), unless the person or the individual died in the year;

(b) if the person or the individual died in the year, the period of at least 365 consecutive days was completed at the time of the death; and

(c) the person is 18 years of age or over in the particular period or, if the person or the individual died in the year, the person had reached that age at the time of the death;

“minimum period of support” of a person by an individual for a taxation year means a period of at least 365 consecutive days commencing in the year or in the preceding year and during which the individual provides assistance to that person on a regular and constant basis by assisting that person in performing a basic activity of daily living where

(a) the period includes a period of at least 183 days in the year (in this definition referred to as the “particular period”), unless the person or the individual died in the year;

(b) if the person or the individual died in the year, the period of at least 365 consecutive days was completed at the time of the death; and

(c) the person is 18 years of age or over in the particular period or, if the person or the individual died in the year, the person had reached that age at the time of the death;

“private seniors’ residence” has the meaning that would be assigned by section 1029.8.61.1 if the definition of that expression in the first paragraph of that section were read without reference to “for a particular month” and “, at the beginning of the particular month,”;

“public network facility” has the meaning assigned by the first paragraph of section 1029.8.61.1;

“recognized diploma” means

(a) a diploma of vocational studies in home care assistance;

(b) a diploma of vocational studies in home care and family and social assistance;

- (c) a diploma of vocational studies in assistance in health care establishments;
- (d) a diploma of vocational studies in assistance to patients or residents in health care establishments;
- (e) a diploma of vocational studies in health, assistance and nursing;
- (f) a diploma of college studies in nursing;
- (g) a bachelor's degree in nursing; or
- (h) any other diploma that enables an individual to act as
 - i. a visiting homemaker,
 - ii. a home support worker,
 - iii. a family and social auxiliary,
 - iv. a nursing attendant,
 - v. a health care aide,
 - vi. a beneficiary care attendant,
 - vii. a nursing assistant, or
 - viii. a nurse;

“specialized respite services” means the services by which a person who holds a recognized diploma provides, in place of an individual, home care to another person who is an eligible carereceiver in relation to the individual.

For the purposes of the definitions of “eligible carereceiver” and “eligible senior relative” in the first paragraph, a person who, immediately before dying, was the spouse of an individual is deemed to be a spouse of the individual.

For the purposes of the definition of “specialized respite services” in the first paragraph, a person is deemed to have been awarded a recognized diploma if

- (a) the care given to the eligible carereceiver by the person is in addition to care the person is required to give to the eligible carereceiver, in accordance with the direct allowance program administered by the Minister of Health and Social Services, within the framework of the person's participation in implementing an intervention plan or an individualized service plan developed, in respect of the eligible carereceiver, by an institution referred to in Title I of Part II of the Act respecting health services and social services or by an institution within the meaning of section 1 of the Act respecting health services and social services for Cree Native persons (chapter S-5); or

(b) the person holds employment with an entity that may be called upon to provide specialized respite services to an individual under an intervention plan or an individualized service plan developed by an institution referred to in subparagraph a.

“1029.8.61.96.11. The first and second paragraphs of section 752.0.17 apply for the purpose of determining whether a person has a severe and prolonged impairment in mental or physical functions the effects of which are such that the person’s ability to perform a basic activity of daily living is markedly restricted or that the person’s ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living.

For the purpose of determining whether an individual is deemed to have paid an amount to the Minister under section 1029.8.61.96.12 for a taxation year in respect of an eligible carereceiver, any person referred to in section 1029.8.61.96.12 shall, on request in writing by the Minister for information with respect to the eligible carereceiver’s impairment and its effect on the eligible carereceiver or with respect to the therapy that is, if applicable, required to be administered to the eligible carereceiver, provide the information so requested in writing.

“§2. — *Credits*

“1029.8.61.96.12. An individual who is resident in Québec at the end of 31 December of a taxation year and who, during the year, is not dependent upon another individual, is deemed to have paid to the Minister, on the individual’s balance-due day for that taxation year, on account of the individual’s tax payable under this Part for that taxation year, an amount equal, subject to sections 1029.8.61.96.16 and 1029.8.61.96.17, to the total of

(a) the aggregate of all amounts each of which is, in respect of each person who, throughout that person’s minimum cohabitation period with the individual for the year, is an eligible carereceiver in relation to the individual, the total of

- i. \$1,250,
- ii. the amount by which \$1,250 exceeds 16% of the eligible carereceiver’s income for the year that exceeds \$22,180, and
- iii. an amount equal to 30% of the lesser of

(1) the aggregate of all amounts, other than an excluded amount, each of which is paid by the individual in respect of expenses incurred in the year for specialized respite services provided to the eligible carereceiver, to the extent that the expenses are incurred at a time when the eligible carereceiver is 18 years of age or over, and

- (2) \$5,200; and

(b) the aggregate of all amounts each of which is, in respect of each person who is not a person to whom paragraph *a* applies and who, throughout the person's minimum period of support by the individual for the year, is an eligible carereceiver in relation to the individual, an amount equal to the amount by which \$1,250 exceeds 16% of the eligible carereceiver's income for the year that exceeds \$22,180.

“1029.8.61.96.13. An individual who is resident in Québec at the end of 31 December of a taxation year and who, during the year, is not dependent upon another individual, is deemed to have paid to the Minister, on the individual's balance-due day for that taxation year, on account of the individual's tax payable under this Part for that taxation year, an amount equal to the aggregate of all amounts each of which is, in respect of each person who, throughout that person's minimum cohabitation period with the individual for the year, is an eligible senior relative of the individual for the year, an amount of \$1,250.

“1029.8.61.96.14. For the purposes of sections 1029.8.61.96.12 and 1029.8.61.96.13, an individual who was resident in Québec immediately before death is deemed to be resident in Québec at the end of 31 December of the year of the individual's death.

“1029.8.61.96.15. For the purposes of sections 1029.8.61.96.12 and 1029.8.61.96.13, a person is dependent upon an individual during a taxation year if the individual is not the person's spouse and has deducted, for the year, in respect of the person, an amount under any of sections 752.0.1 to 752.0.7, 752.0.11 to 752.0.18.0.1 and 776.41.14.

“1029.8.61.96.16. The amount determined under subparagraph i or ii of paragraph *a* of section 1029.8.61.96.12, in respect of each person who is an eligible carereceiver in relation to an individual and has reached 18 years of age in a taxation year, and taken into account for the purpose of computing the amount that the individual is deemed to have paid to the Minister under section 1029.8.61.96.12 for the year is to be replaced by an amount equal to the proportion of that amount that the number of months in the year that follow the month in which that person reaches 18 years of age is of 12.

“1029.8.61.96.17. The amount determined under section 1029.8.61.96.12, in respect of a person who is an eligible carereceiver in relation to an individual, and taken into account for the purpose of computing the amount that the individual is deemed to have paid to the Minister under section 1029.8.61.96.12 for a taxation year is to be reduced by an amount that is the portion of a financial assistance benefit received in that year by the individual or, if applicable, by the individual's spouse for the year, in respect of that person, under any of Chapters I, II and V of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), that is attributable to the amount of the increase for a dependent child of full age who is handicapped and attends an educational institution at the secondary level in general education provided for in the second paragraph of section 75 of the Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1).

“1029.8.61.96.18. No individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for a taxation year, in respect of a person, if

(a) the individual is an eligible senior relative or an eligible carereceiver in respect of whom another individual is deemed to have paid an amount to the Minister for the year under this division;

(b) the person is an eligible senior relative or an eligible carereceiver in respect of whom the individual is deemed to have paid an amount to the Minister for the year under another provision of this division; or

(c) the individual received, or may reasonably expect to receive, remuneration in any form whatsoever for the assistance the individual provides to the person.

“1029.8.61.96.19. Where, for a taxation year, more than one individual could, but for this section and if paragraph *a* of each of the definitions of “minimum cohabitation period” and “minimum period of support” in the first paragraph of section 1029.8.61.96.10 were read as if “183 days” were replaced by “90 days”, be deemed to have paid an amount to the Minister for the year under section 1029.8.61.96.12 or 1029.8.61.96.13 in respect of the same person, the following rules apply:

(a) the total of the amounts each of those individuals would be so deemed to have paid to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for the year, in respect of the person, may not exceed the particular amount that only one of those individuals would be deemed to have paid to the Minister for the year under either of those sections if the person were an eligible carereceiver or an eligible senior relative, as the case may be, only in relation to that individual; and

(b) where those individuals cannot agree as to what portion of the particular amount each would be deemed to have paid to the Minister for the year under either of those sections, the Minister may determine what portion of that amount is deemed paid by each individual under that section and, for the purposes of that determination, priority is given to a cohabitation period over a period of support.

“1029.8.61.96.20. An individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 for a taxation year in respect of a person only if the individual files with the Minister the following documents together with the fiscal return the individual is required to file for the year under section 1000, or would be required to file if tax were payable by the individual for the year under this Part, unless the documents have already been filed with the Minister in connection with an application for advance payments made under section 1029.8.61.96.23:

(a) where the period referred to in section 1029.8.61.96.12 is a minimum cohabitation period of the person with the individual, the prescribed form containing prescribed information on which

i. the individual certifies that, throughout the person's minimum cohabitation period for the year, the individual ordinarily lived with that person in a self-contained domestic establishment, other than an excluded dwelling, and

ii. the individual certifies that, throughout the period referred to in subparagraph i, the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee of the self-contained domestic establishment referred to in subparagraph i;

(b) where the period referred to in section 1029.8.61.96.12 is a minimum period of support of the person by the individual, the prescribed form containing prescribed information on which

i. the individual certifies that, during the person's minimum period of support by the individual for the year, the individual provided assistance to the person on a regular and constant basis by assisting the person in performing a basic activity of daily living, and

ii. the individual certifies that, throughout the person's minimum period of support by the individual for the year, the person was not living in an excluded dwelling;

(c) where the person's severe and prolonged impairment in mental or physical functions is an impairment whose effects are such that

i. the person's ability to perform a basic activity of daily living is markedly restricted, the prescribed form containing prescribed information on which a physician or a specialized nurse practitioner, within the meaning of section 752.0.18, or, where the person has a sight impairment, a physician, a specialized nurse practitioner or an optometrist, within the meaning of that section, or, where the person has a speech impairment, a physician, a specialized nurse practitioner or a speech-language pathologist, within the meaning of that section, or, where the person has a hearing impairment, a physician, a specialized nurse practitioner or an audiologist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in feeding or dressing himself or herself, a physician, a specialized nurse practitioner or an occupational therapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in walking, a physician, a specialized nurse practitioner, an occupational therapist or a physiotherapist, within the meaning of that section, or, where the person has an impairment with respect to the person's ability in mental functions necessary for everyday life, a physician, a specialized nurse practitioner or a psychologist, within the meaning of that section, certifies that the person has such an impairment, or

ii. the person's ability to perform more than one basic activity of daily living is significantly restricted where the cumulative effect of those restrictions is equivalent to having a marked restriction in the ability to perform a basic activity of daily living, the prescribed form containing prescribed information

on which a physician or a specialized nurse practitioner, within the meaning of section 752.0.18, or, where the person has an impairment with respect to the person's ability in walking or in feeding or dressing himself or herself, a physician, a specialized nurse practitioner or an occupational therapist, within the meaning of that section, certifies that the person has such an impairment;

(d) the prescribed form containing prescribed information on which a health professional referred to in subparagraph *c* in respect of the person certifies that the person requires assistance to perform a basic activity of daily living because of the person's impairment;

(e) where the person is referred to in subparagraph iii of paragraph *a* of the definition of "eligible carereceiver" in the first paragraph of section 1029.8.61.96.10 and in the case of a taxation year described in the second paragraph, the prescribed form containing prescribed information on which

i. the eligible carereceiver designates the individual as a person who provides to the eligible carereceiver sustained assistance in performing a basic activity of daily living and specifies the date on which the eligible carereceiver began to receive the assistance, and

ii. a health and social services professional who is a member of a professional order referred to in the Professional Code (chapter C-26) certifies that the individual provides to the eligible carereceiver sustained assistance in performing a basic activity of daily living; and

(f) in respect of a particular amount referred to in subparagraph 1 of subparagraph iii of paragraph *a* of section 1029.8.61.96.12 that is paid in respect of expenses incurred in the year for specialized respite services, the receipts issued by the payee and containing, if the payee is an individual, the payee's Social Insurance Number.

The taxation years for which the prescribed form referred to in subparagraph *e* of the first paragraph is to be filed with the Minister by an individual in respect of a person are the following:

(a) the first taxation year for which the individual intends to have section 1029.8.61.96.12 apply in respect of the person;

(b) any taxation year in which a change occurs in the situation existing between the individual and the person; or

(c) the third taxation year following the last taxation year for which such a form was filed with the Minister by the individual in respect of the person.

“1029.8.61.96.21. An individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.13 for a taxation year in respect of a person only if the individual files with the Minister, together with the fiscal return the individual is required to file for the year under section 1000, or would be required to file if tax were payable by the individual for the year under this Part, the prescribed form containing prescribed information on which

(a) the individual certifies that, throughout the person’s minimum cohabitation period for the year, the individual ordinarily lived with that person in a self-contained domestic establishment, other than an excluded dwelling; and

(b) the individual certifies that, throughout the period referred to in paragraph *a*, the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee of the self-contained domestic establishment referred to in paragraph *a*.

“1029.8.61.96.22. No individual may be deemed to have paid an amount to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for a taxation year in respect of a particular person if the individual or the person who is the individual’s spouse during the minimum cohabitation period or minimum period of support, as the case may be, of the particular person for the year is exempt from tax for the year under section 982 or 983 or under any of subparagraphs *a* to *d* and *f* of the first paragraph of section 96 of the Tax Administration Act (chapter A-6.002).

“§3. — *Advance payments*

“1029.8.61.96.23. Where, on or before 1 December of a taxation year subsequent to the taxation year 2020, an individual applies to the Minister, in the prescribed form containing prescribed information, the Minister may pay in advance, according to the terms and conditions determined by the Minister, the amount determined in accordance with the second paragraph (in this subdivision referred to as the “amount of the advance”) in respect of the amount the individual considers to be the amount that the individual will be deemed to have paid to the Minister under sections 1029.8.61.96.12 and 1029.8.61.96.13 on account of the individual’s tax payable for the year, if

(a) at the time of the application,

i. the individual is resident in Québec,

ii. the individual is not dependent upon another individual, and

iii. the individual ordinarily lives with a person, who is an eligible carereceiver in relation to the individual or an eligible senior relative of the individual, in a self-contained domestic establishment, other than an excluded dwelling, of which the individual or the person, or the spouse of either of them if the spouse lives with them, is, alone or jointly with another person, the owner, lessee or sublessee; and

(b) the individual has agreed that the advance payments be made by direct deposit in a bank account held at a financial institution listed in Part I of Appendix I to Rule D4 – Institution Numbers and Clearing Agency/ Representative Arrangements of the Automated Clearing Settlement System Rules Manual, as amended from time to time, of the Canadian Payments Association.

The amount of the advance of an individual for a taxation year is equal to the aggregate of

(a) the amount the individual considers to be the amount that the individual would be deemed to have paid to the Minister under section 1029.8.61.96.12 on account of the individual's tax payable for the year, if that section were read without reference to subparagraphs ii and iii of its paragraph a and its paragraph b; and

(b) the amount the individual considers to be the amount that the individual will be deemed to have paid to the Minister under section 1029.8.61.96.13 on account of the individual's tax payable for the year.

The individual shall notify the Minister with dispatch of any event that may affect the amount of the advance.

“1029.8.61.96.24. The Minister may require from any individual who makes an application for advance payments referred to in the first paragraph of section 1029.8.61.96.23 a document or information other than those provided for in that paragraph if the Minister considers the document or information necessary to evaluate the application.

“1029.8.61.96.25. Despite the first paragraph of section 1029.8.61.96.23, the Minister is not required to grant an application for advance payments referred to in that paragraph for a particular taxation year if

(a) the individual received an amount the Minister paid in advance under section 1029.8.61.96.23 for a preceding taxation year and, at the time the application is processed, has not filed a fiscal return for the preceding year; and

(b) the application is processed after the individual's filing-due date for the preceding year.

“1029.8.61.96.26. The Minister may, at a particular time, cease to pay in advance, or suspend the payment of, an amount provided for in section 1029.8.61.96.23 to an individual for a particular taxation year if

(a) the individual received an amount the Minister paid in advance under section 1029.8.61.96.23 for a preceding taxation year and has not, as of the particular time, filed a fiscal return for the preceding year; and

(b) the particular time is subsequent to the individual's filing-due date for the preceding year.

“1029.8.61.96.27. The Minister may suspend the advance payment of, reduce or cease to pay an amount provided for in section 1029.8.61.96.23 if documents or information brought to the Minister’s attention so warrant.”

(2) Subsection 1 applies from the taxation year 2020. However, where section 1029.8.61.96.18 of the Act applies to the taxation year 2020, it is to be read as if the following paragraphs were added:

“(d) the person is a care recipient, within the meaning of section 1029.8.61.71, in respect of whom the individual is deemed to have paid an amount to the Minister for the year under Division II.11.4;

“(e) the person is an eligible relative of the individual, within the meaning of section 1029.8.61.76, in respect of whom the individual is deemed to have paid an amount to the Minister for the year under Division II.11.5; or

“(f) the person attributed an amount to the individual for the year under section 1029.8.61.74 and that amount, or the amount that is deemed to be attributed to the individual for the year in accordance with section 1029.8.61.74, is taken into consideration in computing an amount that the individual is deemed to have paid to the Minister for the year under section 1029.8.61.73.”

155. Divisions II.16 to II.17 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.101 to 1029.8.116.0.1, are repealed.

156. Section 1029.8.116.1 of the Act is amended by striking out paragraph *c* of the definition of “eligible individual”.

157. Section 1029.8.116.5.0.1 of the Act is amended by replacing subparagraph *a* of the second paragraph by the following subparagraph:

“(a) the eligible individual receives in the year, or has received in any of the five preceding years, because of the individual’s physical or mental condition, a social solidarity allowance under Chapter II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), other than a special benefit paid under section 48 of the Individual and Family Assistance Regulation (chapter A-13.1.1, r. 1);”.

158. Section 1029.8.116.5.0.2 of the Act is amended

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

“i. a last resort financial assistance benefit paid under Chapter I or II of Title II of the Individual and Family Assistance Act (chapter A-13.1.1), or”;

(2) by replacing subparagraphs *a* and *b* of the second paragraph by the following subparagraphs:

“(a) for that month, the individual was a dependent child for the purposes of the Individual and Family Assistance Act; or

“(b) for that month, the individual received only a special benefit under section 48 of the Individual and Family Assistance Regulation.”

159. (1) The Act is amended by inserting the following sections after section 1029.8.116.18:

“1029.8.116.18.1. For the purposes of section 1029.8.116.16, an eligible individual is deemed to have validly made an application in accordance with section 1029.8.116.18 for a payment period if

(a) for the last month of the base year relating to that period, the eligible individual is a recipient under a financial assistance program provided for in any of Chapters I, II and V of Title II of the Individual and Family Assistance Act (chapter A-13.1.1); and

(b) on 1 September of the year in which that period begins, the eligible individual had not filed a fiscal return under section 1000 for the base year in relation to that period.

The application referred to in the first paragraph is deemed to have been filed with the Minister on 1 September of the year in which the payment period begins.

“1029.8.116.18.2. In respect of an application that an eligible individual is deemed to have validly made under section 1029.8.116.18.1 for a payment period, the following rules apply:

(a) section 1029.8.116.16 is to be read without reference to “and if the individual and, if applicable, the individual’s cohabiting spouse at the end of the base year relating to that period file the document specified in section 1029.8.116.19 for that base year” in the portion before the formula in the first paragraph; and

(b) the amount that is deemed, for the payment period, to be an overpayment of the tax payable by the eligible individual is determined by the formula in the first paragraph of section 1029.8.116.16 as if

i. the amount represented by A were equal to the amount specified in subparagraph i of subparagraph a of the second paragraph of section 1029.8.116.16, unless the Minister holds, in respect of the eligible individual, the information necessary to determine the individual’s eligibility for the amount specified in subparagraph ii or iii of that subparagraph a, as the case may be, and

ii. the amounts represented by B and C were each equal to zero.”

(2) Subsection 1 applies in respect of a payment period that begins after 30 June 2019.

160. Section 1029.8.116.26 of the Act is amended by striking out the fourth, fifth, sixth and seventh paragraphs.

161. (1) Section 1029.8.116.26.2 of the Act is amended by inserting the following paragraph after the first paragraph:

“Despite the first paragraph, the person who is the cohabiting spouse of an eligible individual is not required to make the application referred to in that paragraph, where section 1029.8.116.26.1 applies in respect of the eligible individual because of the eligible individual’s death.”

(2) Subsection 1 applies in respect of an amount payable in relation to a death that occurs after 30 June 2020.

162. (1) Section 1029.8.116.30 of the Act is amended, in the second paragraph,

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

“(b) if the amount is an amount that the individual is no longer entitled to receive because of the application of the second paragraph of section 1029.8.116.26.1, the 46th day following the day on which the Minister received, in accordance with the first paragraph of section 1029.8.116.26.2, the person’s application for the payment of the amount;”;

(2) by inserting the following subparagraph after subparagraph *b*:

“(b.1) if the amount is an amount that the individual is no longer entitled to receive because of the application of the first paragraph of section 1029.8.116.26.1 as a consequence of the individual’s death, the 46th day following the day on which the Minister was informed of the death or, if it is earlier, the 46th day following the day on which the Minister received the person’s application under the first paragraph of section 1029.8.116.26.2 for the payment of the amount, even though the person is not required to make such an application;”.

(2) Subsection 1 applies in respect of an amount refunded or allocated in relation to a death or a confinement to a prison or a similar institution that occurs after 30 June 2020.

163. (1) The Act is amended by inserting the following section after section 1029.8.116.30:

“1029.8.116.30.1. Despite the first paragraph of section 1029.8.116.30, no interest is payable to an individual on an amount refunded to the individual or allocated to one of the individual’s liabilities, where the amount results from an application referred to in section 1029.8.116.18.1 and relates to the payment period beginning on 1 July 2019.”

(2) Subsection 1 has effect from 1 July 2019.

164. Division II.20 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.122 to 1029.8.125, is repealed.

165. Division II.22 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.146 to 1029.8.152, is repealed.

166. (1) Section 1033.14 of the Act is amended by replacing “95%” in paragraph *b* of the definition of “eligible share” in the first paragraph by “50%”.

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

167. (1) Section 1033.17 of the Act is amended

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

“ $120\% \{A - B - [(A - B)/A \times C]\} \times D$ ”;

(2) by adding the following subparagraph at the end of the second paragraph:

“(d) D is

i. where the share that is deemed under section 436 to have been disposed of at the particular time is an eligible share of a private corporation described in paragraph *b* of the definition of “eligible share” in the first paragraph of section 1033.14, the proportion, expressed as a percentage, that the fair market value of the assets of the private corporation that is attributable to a large block of shares or a portion of a large block of shares of the capital stock of a qualified public corporation is, at the particular time, of the fair market value of the assets of the private corporation, or

ii. in any other case, 100%.”;

(3) by adding the following paragraph at the end:

“Where the proportion described in subparagraph *i* of subparagraph *d* of the second paragraph is greater than 95%, it is deemed to be equal to 100%.”

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

168. (1) Section 1033.18 of the Act is amended

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

“120% {A – B – [(A – B)/A × C]} × D”;

(2) by adding the following subparagraph at the end of the second paragraph:

“(d) D is

i. where the share that is deemed under section 653 to have been disposed of at the particular time is an eligible share of a private corporation described in paragraph *b* of the definition of “eligible share” in the first paragraph of section 1033.14, the proportion, expressed as a percentage, that the fair market value of the assets of the private corporation that is attributable to a large block of shares or a portion of a large block of shares of the capital stock of a qualified public corporation is, at the particular time, of the fair market value of the assets of the private corporation, or

ii. in any other case, 100%.”;

(3) by adding the following paragraph at the end:

“Where the proportion described in subparagraph i of subparagraph *d* of the second paragraph is greater than 95%, it is deemed to be equal to 100%.”

(2) Subsection 1 applies in respect of the deemed disposition of a share that occurs after 6 November 2019.

169. (1) Section 1033.23 of the Act is amended

(1) by replacing the formula in paragraph *a* by the following formula:

“120% {A – B – [(A – B)/A × C]} × D × (1 – E)”;

(2) by striking out paragraph *b*;

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

“(c) as if the following subparagraph were added at the end of the second paragraph:

“(e) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the twenty-second anniversary of the deemed disposition is of its fair market value at the time of the deemed disposition.”; and”.

(2) Paragraphs 1 and 3 of subsection 1 apply in respect of the deemed disposition of a share that occurs after 6 November 2019. In addition, where section 1033.23 of the Act applies in respect of the deemed disposition of a share that occurs before 7 November 2019, it is to be read as if the formula in paragraph *a* were replaced by the following formula:

“120% {A – B – [(A – B)/A × C]} × (1 – D)”.

(3) Paragraph 2 of subsection 1 applies in respect of the deemed disposition of a share that occurs after 21 February 2017.

170. (1) Section 1033.24 of the Act is amended

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

“120% {A – B – [(A – B)/A × C]} × D × (1 – E)”;

(2) by striking out subparagraph *b* of the first paragraph;

(3) by replacing subparagraph *c* of the first paragraph by the following subparagraph:

“(c) as if the following subparagraph were added at the end of the second paragraph:

“(e) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the twenty-second anniversary of the deemed disposition is of its fair market value at the time of the deemed disposition.”; and”;

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

“The first paragraph applies at successive two-year intervals following the twenty-second anniversary referred to in that paragraph, with the necessary modifications. However, if the fair market value of the eligible share on that subsequent anniversary is greater than its fair market value on the last anniversary in respect of which the first paragraph applied, subparagraph *e* of the second paragraph of section 1033.17 or 1033.18, as the case may be, enacted by subparagraph *c* of the first paragraph, is to be read as follows:

“(e) E is the proportion, expressed as a percentage, that the fair market value of the eligible share on the subsequent anniversary to which the second paragraph of section 1033.24 refers is of the fair market value of the eligible share at the time of the deemed disposition.””

(2) Paragraphs 1, 3 and 4 of subsection 1 apply in respect of the deemed disposition of a share that occurs after 6 November 2019. In addition, where section 1033.24 of the Act applies in respect of the deemed disposition of a share that occurs before 7 November 2019, it is to be read as if the formula in subparagraph *a* of the first paragraph were replaced by the following formula:

“ $120\% \{A - B - [(A - B)/A \times C]\} \times (1 - D)$ ”.

(3) Paragraph 2 of subsection 1 applies in respect of the deemed disposition of a share that occurs after 21 February 2017.

171. Section 1034.4 of the Act is amended by replacing the first paragraph by the following paragraph:

“Where, for a taxation year, the Minister has refunded an amount to an individual or has applied an amount to another of the individual’s liabilities, and that amount is greater than the amount that should have been refunded or applied, the individual and the person who, for the year, is the individual’s eligible spouse are solidarily liable for payment of that excess amount, to the extent that the excess amount may reasonably be considered to relate to the application of section 1029.8.105, as it read before being repealed.”

172. Section 1034.5 of the Act is replaced by the following section:

“**1034.5.** For the purposes of section 1034.4 and of section 1035 where that section applies in respect of an eligible spouse of an individual in relation to an amount payable under section 1034.4, “eligible spouse” of an individual for a taxation year has the meaning assigned by section 1029.8.101, as it read before being repealed.”

173. Section 1034.6 of the Act is amended by replacing the first paragraph by the following paragraph:

“Where, for a taxation year, the Minister has refunded an amount to an individual or has applied an amount to another of the individual’s liabilities, and that amount is greater than the amount that should have been refunded or applied, the individual and the person who, for the year, is the individual’s eligible spouse are solidarily liable for payment of that excess amount, to the extent that the excess amount may reasonably be considered to relate to the application of section 1029.8.114 or 1029.8.114.1, as it read before being repealed.”

174. Section 1034.7 of the Act is replaced by the following section:

“**1034.7.** For the purposes of section 1034.6 and of section 1035 where that section applies in respect of an eligible spouse of an individual in relation to an amount payable under section 1034.6, “eligible spouse” of an individual for a taxation year has the meaning assigned by section 1029.8.110, as it read before being repealed.”

175. (1) Section 1038 of the Act is amended

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

“ii. the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual’s tax payable for the particular year, except any such amounts the individual is deemed to have paid under Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies,”;

(2) by inserting the following subparagraph after subparagraph iii of subparagraph *a* of the second paragraph:

“iii.1. the amount by which the amount the individual is deemed under Division II.11.7.2 of Chapter III.1 of Title III to have paid to the Minister on account of the individual’s tax payable for the particular year exceeds the individual’s tax payable for the particular year under Part I.3.5,”;

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

“ii. the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual’s tax payable for the particular year, except any such amounts the individual is deemed to have paid under Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies,”;

(4) by inserting the following subparagraph after subparagraph iii of subparagraph *b* of the second paragraph:

“iii.1. the amount by which the amount the individual is deemed under Division II.11.7.2 of Chapter III.1 of Title III to have paid to the Minister on account of the individual’s tax payable for the particular year exceeds the individual’s tax payable for the particular year under Part I.3.5,”;

(5) by replacing the portion of subparagraph *a* of the third paragraph before subparagraph i by the following:

“(a) the amount by which the total, on the one hand, of the aggregate of all amounts the individual is deemed under Chapter III.1 of Title III to have paid to the Minister on account of the individual’s tax payable for the particular year, except any such amounts the individual is deemed to have paid under

Divisions II to II.3.0.1, II.5.1, II.5.2, II.6.4 to II.6.4.2.1, II.11.1, II.11.7.2, II.12.1, II.13 if tax is payable by the individual for the particular year under Part I.3.2, II.17.1 and II.27 of that chapter and sections 1029.9.2 and 1029.9.2.1 and any such amounts in respect of which section 1029.6.0.1.9 applies, and, on the other hand, of the aggregate of the amount by which the amount the individual is deemed under Division II.11.1 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3, the amount by which the amount the individual is deemed under Division II.11.7.2 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5, the amount by which the amount the individual is deemed under Division II.12.1 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.3 and the amount by which the amount the individual is deemed under Division II.27 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.4, is exceeded by any of the following amounts:".

(2) Paragraph 1 of subsection 1, where it inserts a reference to Division II.11.7.2 of Chapter III.1 of Title III of Book IX of Part I of the Act in subparagraph ii of subparagraph *a* of the second paragraph of section 1038 of the Act, applies from the taxation year 2021.

(3) Paragraphs 2 and 4 of subsection 1 apply from the taxation year 2021.

(4) Paragraph 3 of subsection 1, where it inserts a reference to Division II.11.7.2 of Chapter III.1 of Title III of Book IX of Part I of the Act in subparagraph ii of subparagraph *b* of the second paragraph of section 1038 of the Act, applies from the taxation year 2021.

(5) Paragraph 5 of subsection 1, where it inserts "II.11.7.2," and "the amount by which the amount the individual is deemed under Division II.11.7.2 of that chapter to have paid to the Minister on account of the individual's tax payable for the particular year exceeds the individual's tax payable for the particular year under Part I.3.5," in the portion of subparagraph *a* of the third paragraph of section 1038 of the Act before subparagraph i, applies from the taxation year 2021.

176. Section 1042 of the Act is repealed.

177. (1) Section 1051 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

"(e) within the three years following the day on which the documents described in the first paragraph of section 1010.0.0.2 are filed, where that section applies in relation to the disposition of an immovable property by the taxpayer or by a partnership of which the taxpayer is a member."

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

178. (1) Section 1052 of the Act is amended, in the portion before paragraph *a*,

(1) by replacing “any of Divisions II.16, II.17, II.17.2 and” by “Division II.17.2 or”;

(2) by replacing “or of section 1029.8.36.166.47” by “or of section 1029.8.36.166.47 or 1029.8.36.166.60.52”.

(2) Paragraph 2 of subsection 1 has effect from 11 March 2020.

179. (1) Section 1053.0.1.1 of the Act is amended by replacing “of section 1029.8.36.166.47” by “of section 1029.8.36.166.47 or 1029.8.36.166.60.52”.

(2) Subsection 1 has effect from 11 March 2020.

180. Sections 1053.0.2 and 1053.0.3 of the Act are repealed.

181. (1) Section 1056.4.1 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) a designation made in the prescribed form and provided for in section 274 or 274.0.1, subparagraph *j* of the first paragraph of section 485.3 or any of sections 485.6 to 485.11 and 485.40 is deemed to be a prescribed election;”.

(2) Subsection 1 applies to a taxation year that ends after 2 October 2016.

182. Section 1079.7 of the Act is amended by replacing paragraph *a* by the following paragraph:

“(a) the name, address and Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), of each individual who so acquired or otherwise invested in the tax shelter in the year and who was resident in Québec at the time of the acquisition or investment;”.

183. (1) Section 1079.8.15 of the Act is amended by replacing subparagraphs *c* and *d* of the first paragraph by the following subparagraphs:

“(c) on or before the day that is six years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the first period

referred to either in paragraph *a.1* of subsection 2 of section 1010 if any of the conditions in subparagraphs *i* to *vii* of that paragraph *a.1* is applicable in respect of the transaction, or in paragraph *a.1.1* of that subsection 2 if the conditions in that paragraph *a.1.1* are applicable in respect of the transaction; or

“(d) on or before the day that is seven years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the second period referred to either in paragraph *a.1* of subsection 2 of section 1010 if any of the conditions in subparagraphs *i* to *vii* of that paragraph *a.1* is applicable in respect of the transaction, or in paragraph *a.1.1* of that subsection 2 if the conditions in that paragraph *a.1.1* are applicable in respect of the transaction.”

(2) Subsection 1 applies to a taxation year for which a redetermination of the tax for the year was required to be made in accordance with section 1012 of the Act, or should have been so made if the taxpayer had claimed an amount under that section within the prescribed time limit, in order to take into account a deduction claimed under sections 727 to 737 of the Act in respect of a loss for a subsequent taxation year that ends after 26 February 2018.

184. (1) Section 1079.8.15.1 of the Act is amended by replacing subparagraphs *c* and *d* of the first paragraph by the following subparagraphs:

“(c) on or before the day that is six years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the first period referred to either in paragraph *a.1* of subsection 2 of section 1010 if any of the conditions in subparagraphs *i* to *vii* of that paragraph *a.1* is applicable in respect of the transaction, or in paragraph *a.1.1* of that subsection 2 if the conditions in that paragraph *a.1.1* are applicable in respect of the transaction; or

“(d) on or before the day that is seven years after the day referred to in subparagraph *a*, if the period for which the Minister could, before the expiry of the time limits provided for in section 1010, make a reassessment or an additional assessment in respect of the particular taxpayer is the second period referred to either in paragraph *a.1* of subsection 2 of section 1010 if any of the conditions in subparagraphs *i* to *vii* of that paragraph *a.1* is applicable in respect of the transaction, or in paragraph *a.1.1* of that subsection 2 if the conditions in that paragraph *a.1.1* are applicable in respect of the transaction.”

(2) Subsection 1 applies in respect of a nominee contract entered into after 16 May 2019, or before 17 May 2019 where the tax consequences of the transaction in the course of which the nominee contract was entered into continue after 16 May 2019.

185. (1) The Act is amended by inserting the following Part after section 1086.12.16:

“PART I.3.5

“TAX IN RESPECT OF ADVANCE PAYMENTS OF THE CREDIT FOR CAREGIVERS

“1086.12.17. In this Part,

“balance-due day” has the meaning assigned by section 1;

“individual” has the meaning assigned by section 1;

“taxation year” has the meaning that would be assigned by Part I if it were read without reference to section 779.

“1086.12.18. An individual shall pay, for a taxation year, a tax equal to the aggregate of all amounts each of which is an amount paid in advance by the Minister to the individual for that year under section 1029.8.61.96.23.

“1086.12.19. An individual shall pay to the Minister, for a taxation year, on or before the individual’s balance-due day for the year, the individual’s tax under this Part as estimated for the year in accordance with section 1004.

“1086.12.20. Unless otherwise provided in this Part, sections 1000 to 1014 and 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies from the taxation year 2021.

186. (1) Section 1089 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under any of sections 726.43 to 726.43.2 if the taxable income were determined under Part I.”

(2) Subsection 1 has effect from 10 March 2020. However, where section 1089 of the Act applies before 2 June 2021, it is to be read as if the fourth paragraph were replaced by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under any of sections 726.35 and 726.43 to 726.43.2 and reduced by the amount that the individual could deduct in computing the individual’s taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

187. (1) Section 1090 of the Act is amended by replacing the fourth paragraph by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under any of sections 726.43 to 726.43.2 if the taxable income were determined under Part I.”

(2) Subsection 1 has effect from 10 March 2020. However, where section 1090 of the Act applies before 2 June 2021, it is to be read as if the fourth paragraph were replaced by the following paragraph:

“For the purposes of the first paragraph, the amount that is determined in respect of an individual for a taxation year under the first paragraph is to be increased by the amount that would be included in computing the individual’s taxable income for the year under any of sections 726.35 and 726.43 to 726.43.2 and reduced by the amount that the individual could deduct in computing the individual’s taxable income for the year under section 726.33, if the taxable income were determined under Part I.”

188. Section 1091 of the Act is amended by striking out “726.33,” in subparagraph *c* of the first paragraph.

189. (1) The Act is amended by inserting the following Part after section 1129.4.3.51:

“PART III.1.1.12

“SPECIAL TAX RELATING TO THE CREDIT TO SUPPORT PRINT MEDIA

“1129.4.3.52. In this Part,

“eligible employee” has the meaning assigned by section 1029.8.36.0.3.109;

“qualified expenditure” has the meaning assigned by section 1029.8.36.0.3.109;

“qualified wages” has the meaning assigned by section 1029.8.36.0.3.109;

“recognized activity” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

“transitional period” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

“wages” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109;

“wholly-owned subsidiary” has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109.

“1129.4.3.53. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.111, on account of its tax payable under Part I for a particular taxation year, in relation to the qualified wages incurred in the particular year in respect of an eligible employee, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.115, in relation to the qualified wages, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under section 1029.8.36.0.3.111 or 1029.8.36.0.3.115, in relation to the qualified wages, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, had been refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified wages.

Where the corporation’s particular taxation year includes all or part of the transitional period and where, in the transitional period or part of that period, the corporation’s wholly-owned subsidiary for the particular year carried out work on its behalf in relation to recognized activities, the first and second paragraphs apply to an amount relating to the corporation’s qualified expenditure for the particular year that may reasonably be attributed to the wages the wholly-owned subsidiary incurred and paid in respect of its eligible employees and that is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it, but are to be read

(a) as if “in relation to the qualified wages incurred in the particular year in respect of an eligible employee” and “relating to wages included in computing the qualified wages” in the first paragraph were replaced by “in relation to its qualified expenditure for the particular year” and “attributable to the wages that the wholly-owned subsidiary of the corporation for the particular year incurred and paid in respect of its eligible employees and that are taken into account in computing the qualified expenditure”, respectively;

(b) as if “in relation to the qualified wages” wherever it appears in the second paragraph were replaced by “in relation to the qualified expenditure”; and

(c) as if “in relation to wages included in computing the qualified wages” in subparagraph *a* of the second paragraph were replaced by “in relation to the wages taken into account in computing the qualified expenditure”.

For the purposes of this section, an amount is deemed to have been, at a particular time, refunded or otherwise paid to the corporation or allocated to a payment to be made by it if the amount that is attributable to the wages that another corporation that was the corporation’s wholly-owned subsidiary for the particular taxation year incurred and paid in the year in respect of its eligible employees was, at that time, refunded or otherwise paid to the other corporation or allocated to a payment to be made by it.

“129.4.3.54. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.0.3.112, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to the qualified wages incurred by the partnership, in respect of an eligible employee, in the partnership’s particular fiscal period that ends in the particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to wages included in computing the qualified wages is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year under any of sections 1029.8.36.0.3.112, 1029.8.36.0.3.116 and 1029.8.36.0.3.117, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.0.3.112, 1029.8.36.0.3.116 and 1029.8.36.0.3.117, for a taxation year, in relation to the qualified wages, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to wages included in computing the qualified wages, had been refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in that taxation year were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified wages, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

Where the partnership's particular fiscal period includes all or part of the transitional period and where, in the transitional period or part of that period, the partnership's wholly-owned subsidiary for the particular fiscal period carried out work on its behalf in relation to recognized activities, the first, second and third paragraphs apply to an amount relating to the partnership's qualified expenditure for the particular fiscal period that may reasonably be attributed to the wages the wholly-owned subsidiary incurred and paid in respect of its eligible employees and that is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation, but are to be read

(a) as if "in relation to the qualified wages incurred by the partnership, in respect of an eligible employee, in" and "relating to wages included in computing the qualified wages" in the first paragraph were replaced by "in relation to its qualified expenditure for" and "attributable to the wages that the wholly-owned subsidiary of the partnership for the particular fiscal period incurred and paid in respect of its eligible employees and that are taken into account in computing the qualified expenditure", respectively;

(b) as if "in relation to the qualified wages" wherever it appears in the portion of the second paragraph before subparagraph i of subparagraph *a* and in subparagraph *b* of that paragraph were replaced by "in relation to the qualified expenditure"; and

(c) as if "in relation to wages included in computing the qualified wages" in subparagraph i of subparagraph *a* of the second paragraph were replaced by "in relation to the wages taken into account in computing the qualified expenditure".

For the purposes of this section, an amount is deemed to have been, at a particular time, refunded or otherwise paid to the partnership or allocated to a payment to be made by it if the amount that is attributable to the wages that a corporation that was the partnership's wholly-owned subsidiary for the particular fiscal period incurred and paid in respect of its eligible employees was, at that time, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

“1129.4.3.55. For the purposes of Part I, except for Division II.6.0.1.12 of Chapter III.1 of Title III of Book IX, the following rules are taken into account:

(a) the tax paid at any time by a corporation to the Minister under section 1129.4.3.53 in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the corporation in respect of the wages, pursuant to a legal obligation; and

(b) the tax paid at any time by a corporation to the Minister under section 1129.4.3.54 in relation to qualified wages is deemed to be an amount of assistance repaid at that time by the partnership referred to in that section in respect of the wages, pursuant to a legal obligation.

Where the circumstances described in the third paragraph of section 1129.4.3.53 or the fourth paragraph of section 1129.4.3.54 occur, the presumption provided for in subparagraph *a* or *b* of the first paragraph applies, as the case may be, in respect of the tax a corporation pays to the Minister under that section in relation to a qualified expenditure of the corporation or of the partnership of which it is a member.

“1129.4.3.56. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 1 January 2019.

190. (1) The Act is amended by inserting the following Part after section 1129.45.3.5.20:

“PART III.10.1.1.5

“SPECIAL TAX RELATING TO THE CREDIT FOR SMALL AND MEDIUM-SIZED BUSINESSES IN RESPECT OF PERSONS WITH A SEVERELY LIMITED CAPACITY FOR EMPLOYMENT

“1129.45.3.5.21. In this Part, “qualified expenditure” has the meaning assigned by section 1029.8.36.59.58.

“1129.45.3.5.22. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.59.59, on account of its tax payable under Part I for a particular taxation year, in relation to its qualified expenditure, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by it.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.59 or 1029.8.36.59.62, in relation to the qualified expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under section 1029.8.36.59.59 or 1029.8.36.59.62, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the qualified expenditure, were refunded, paid or allocated in the particular taxation year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

“1129.45.3.5.23. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.59.59 on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to a qualified expenditure of the partnership for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.59.59, 1029.8.36.59.63 and 1029.8.36.59.64, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.59.59, 1029.8.36.59.63 and 1029.8.36.59.64, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the qualified expenditure, if

i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the qualified expenditure were refunded, paid or allocated in the particular fiscal period, and

ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the qualified expenditure, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph a of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(a) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(b) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

“1129.45.3.5.24. For the purposes of Part I, except Division II.6.5.9 of Chapter III.1 of Title III of Book IX, the following rules are taken into consideration:

(a) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.22, in relation to its qualified expenditure, is deemed to be an amount of assistance repaid by the corporation at that time in respect of that expenditure, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.45.3.5.23, in relation to the qualified expenditure of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of that expenditure, pursuant to a legal obligation.

“1129.45.3.5.25. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies to a taxation year that ends after 31 December 2019.

191. (1) The Act is amended by inserting the following Part after section 1129.45.41.18.12:

“PART III.10.9.2.3

“SPECIAL TAX CONCERNING THE CREDIT RELATING TO INVESTMENT AND INNOVATION

“1129.45.41.18.13. In this Part, “specified expenses” and “specified property” have the meaning assigned by section 1029.8.36.166.60.36.

“1129.45.41.18.14. Every corporation that is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.48, on account of its tax payable under Part I for a particular taxation year, in relation to its specified expenses for the year in respect of a specified property, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the “repayment year”) in which an amount relating to the specified expenses is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to its specified expenses for the particular year, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to the specified expenses, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to the specified expenses, were refunded, paid or allocated in the particular year; and

(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the specified expenses.

However, no tax is payable under this section, in relation to the specified expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.18.16 applies in respect of the property for the repayment year or applied in respect of the property for a preceding taxation year.

“1129.45.41.18.15. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.36.166.60.49, on account of the corporation’s tax payable under Part I for a particular taxation year, in relation to the partnership’s specified expenses, in respect of a specified property, for the partnership’s particular fiscal period that ends in that particular year, shall pay the tax computed under the second paragraph for the taxation year in which ends a subsequent fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) in which an amount relating to the specified expenses is, directly or indirectly, refunded or otherwise paid to the partnership or corporation or allocated to a payment to be made by the partnership or corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, in relation to the partnership’s specified expenses for the particular fiscal year, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, for a taxation year in which a fiscal period of the partnership preceding the fiscal period of repayment ends, in relation to the specified expenses, if

- i. every amount that is, at or before the end of the fiscal period of repayment, so refunded, paid or allocated, in relation to the specified expenses, were refunded, paid or allocated in the particular fiscal period, and
- ii. the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment; and

(b) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to the specified expenses, if the agreed proportion in respect of the corporation for the partnership’s fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph *i* of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

However, no tax is payable under this section, in relation to the specified expenses in respect of a property referred to in the first paragraph, if section 1129.45.41.18.17 applies in respect of the property for the taxation year in which the fiscal period of repayment ends or applied in respect of the property in a preceding taxation year.

“1129.45.41.18.16. Every corporation that, in relation to its specified expenses in respect of a specified property, is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51 and 1029.8.36.166.60.52, for any taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the corporation’s filing-due date for the taxation year preceding the particular year and during the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph *v* of paragraph *b* of the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

(*a*) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.60.48, 1029.8.36.166.60.51, 1029.8.36.166.60.52 and 1029.8.36.166.60.60, in relation to its specified expenses in respect of the specified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.14, in relation to those specified expenses, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

- (a) the 730th day following the particular day; and
- (b) the corporation's filing-due date for the particular taxation year.

“1129.45.41.18.17. Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51 and 1029.8.36.166.60.52, for any taxation year in relation to the partnership's specified expenses in respect of a specified property for a fiscal period of the partnership that ends in that taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the last day of the six-month period following the end of the partnership's fiscal period that ends in the taxation year preceding the particular year and during the period described in the third paragraph, the property ceases, otherwise than by reason of its loss, of its involuntary destruction by fire, theft or water, or of a major breakdown of the property, to be used, where the property is referred to in subparagraph *v* of paragraph *b* of the definition of “specified property” in the first paragraph of section 1029.8.36.166.60.36, mainly in Québec or, in any other case, solely in Québec, to earn income from a business carried on

- (a) by the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or
- (b) by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.36.166.60.49, 1029.8.36.166.60.51, 1029.8.36.166.60.52, 1029.8.36.166.60.61 and 1029.8.36.166.60.62, in relation to the partnership's specified expenses in respect of the specified property for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.45.41.18.15, in relation to those specified expenses, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earlier of

(a) the 730th day following the particular day; and

(b) the last day of the six-month period following the end of the partnership's fiscal period that ends in the particular year.

“1129.45.41.18.18. For the purposes of Part I, except Division II.6.14.2.3 of Chapter III.1 of Title III of Book IX, the following rules must be taken into account:

(a) tax paid to the Minister by a corporation at any time, under section 1129.45.41.18.14 or 1129.45.41.18.16, in relation to specified expenses, in respect of a specified property, is deemed to be an amount of assistance repaid by the corporation at that time in respect of those expenses, pursuant to a legal obligation; and

(b) tax paid to the Minister by a corporation at any time, under section 1129.45.41.18.15 or 1129.45.41.18.17 in relation to specified expenses, in respect of a specified property, of a partnership referred to in that section, is deemed to be an amount of assistance repaid by the partnership at that time in respect of those expenses, pursuant to a legal obligation.

“1129.45.41.18.19. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 11 March 2020.

192. (1) Section 1137 of the Act is amended by inserting the following paragraph after paragraph *b.0.1*:

“(b.0.2) the provision for the redemption of retractable or mandatorily redeemable shares issued at the end of the taxation year, provided the redemption value of those shares was included in that computation;”

(2) Subsection 1 applies in respect of a taxation year that begins after 31 December 2019.

193. (1) Section 1159.1 of the Act is amended

(1) by replacing paragraph *a* of the definition of “maximum amount subject to tax” by the following paragraph:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), \$1,100,000,000;”;

(2) by inserting the following paragraph after paragraph *b* of the definition of “maximum amount subject to tax”:

“(b.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities,

- i. where the year begins after 31 March 2020, \$275,000,000, and
- ii. where the year ends after 31 March 2020 and includes that date,

(1) for the purposes of subparagraph i of subparagraph *a.1* of the first paragraph of section 1159.3, enacted by subparagraph *a.1* of the first paragraph of section 1159.3.3.3, the product obtained by multiplying \$275,000,000 by the proportion that the number of days in the year that follow 31 March 2020 is of 365, and

(2) for the purposes of subparagraphs ii and iii of subparagraph *a.1* of the first paragraph of section 1159.3, enacted by subparagraph *a.1* of the first paragraph of section 1159.3.3.3, the product obtained by multiplying \$1,100,000,000 by the proportion that the number of days in the year that precede 1 April 2020 is of 365; and”;

(3) by replacing paragraph *c* of the definition of “maximum amount subject to tax” by the following paragraph:

“(c) in the case of a person who is referred to in neither paragraph *b.1* nor any of subparagraphs *a* to *d.1* of the first paragraph of section 1159.3 and who made, with a person referred to in any of those subparagraphs *a* to *d.1*, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, \$275,000,000;”;

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

““independent trust corporation” means a trust corporation that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;”;

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

““independent loan corporation” means a loan corporation that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;”;

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

““independent corporation trading in securities” means a corporation trading in securities that, in a taxation year, is not associated, within the meaning of Part I, with a bank, a credit union or an insurance corporation;”.

(2) Subsection 1 has effect from 1 April 2020.

194. (1) Section 1159.1.0.0.2 of the Act is amended by adding the following paragraph at the end:

“The first paragraph does not apply for the purpose of determining the maximum amount subject to tax of an independent trust corporation, an independent loan corporation or an independent corporation trading in securities for its taxation year that ends after 31 March 2020 and includes that date.”

(2) Subsection 1 has effect from 1 April 2020.

195. (1) Section 1159.3.3.3 of the Act is amended

(1) by replacing the portion of subparagraph *a* of the first paragraph of section 1159.3 of the Act before subparagraph *i*, enacted by subparagraph *a* of the first paragraph of that section 1159.3.3.3, by the following:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of”;

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

“(a.1) the first paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

“(a.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of

i. 1.32% of the lesser of its maximum amount subject to tax for the year, determined in accordance with subparagraph *i* of paragraph *b.1* of the definition of “maximum amount subject to tax” in section 1159.1 or in accordance with subparagraph 1 of subparagraph *ii* of that paragraph *b.1*, as the case may be, and the amount paid as wages in the part of the year that follows 31 March 2020,

ii. 4.22% of the lesser of the amount by which its maximum amount subject to tax for the year, determined, if the year includes 31 March 2020, in accordance with subparagraph 2 of subparagraph *ii* of paragraph *b.1* of the definition of “maximum amount subject to tax” in section 1159.1, exceeds the amount paid as wages in the part of the year that precedes 1 April 2019 and the amount paid as wages in the part of the year that follows 31 March 2019 and precedes 1 April 2020, and

iii. 4.29% of the lesser of its maximum amount subject to tax for the year, determined, if the year includes 31 March 2020, in accordance with subparagraph 2 of subparagraph *ii* of paragraph *b.1* of the definition of “maximum amount subject to tax” in section 1159.1, and the amount paid as wages in the part of the year that precedes 1 April 2019;”;

(3) by replacing subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.3.3, by the following subparagraph:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;”;

(4) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

“(a.1) the second paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

“(a.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2020, 4.22% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that follow 31 March 2019 and precede 1 April 2020 and 4.29% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2019;”;

(2) Subsection 1 has effect from 1 April 2020.

(3) In addition, in applying subparagraph *i* of subparagraph *a* of the first paragraph of section 1027 of the Act, subparagraph 1 of subparagraph *iii* of that subparagraph *a* and subparagraph *a* of the third paragraph of that section 1027, enacted by paragraph *b* of section 1027.0.3 of the Act, for the purpose of computing the amount of a payment that an independent loan corporation, an independent trust corporation or an independent corporation trading in securities is required to make under subparagraph *a* of the first paragraph of that section 1027 for a taxation year that ends after 31 March 2020 and includes that date, and in applying section 1038 of the Act for the purpose of computing the interest provided for in that section that the corporation is required to pay, if applicable, in respect of that payment, the following rules apply:

(1) the corporation’s estimated tax or tax payable, as the case may be, for that taxation year must, in respect of a payment that the corporation is required to make before 1 April 2020, be determined without reference to this section; and

(2) the total of the payments that the corporation is required to make before 1 April 2020, with reference to the presumption provided for in paragraph 1, does not exceed the corporation's tax payable for the year determined without reference to this subsection.

196. (1) Section 1159.3.4 of the Act is amended

(1) by replacing the portion of subparagraph *a* of the first paragraph of section 1159.3 of the Act before subparagraph *i*, enacted by subparagraph *a* of the first paragraph of that section 1159.3.4, by the following:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of”;

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

“(a.1) the first paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph *a*:

“(a.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of

i. 0.9% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that is included in the temporary contribution period, and

ii. 1.32% of the lesser of its maximum amount subject to tax for the year and the amount paid as wages in the part of the year that precedes 1 April 2022;”;

(3) by replacing subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.4, by the following subparagraph:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, the aggregate of 2.8% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 4.14% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;”;

(4) by inserting the following subparagraph after subparagraph *a* of the second paragraph:

“(a.1) the second paragraph of section 1159.3 is to be read as if the following subparagraph were inserted after subparagraph a:

“(a.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, the aggregate of 0.9% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that are included in the temporary contribution period and 1.32% of the amount paid as wages in the part or parts of the year, as the case may be, during which the person was a financial institution that precede 1 April 2022;”;

(2) Subsection 1 has effect from 1 April 2020.

197. (1) Section 1175.28.0.3 of the Act is amended by inserting “, 1029.8.36.166.60.36” after “1029.8.36.166.40”.

(2) Subsection 1 has effect from 11 March 2020.

198. (1) The Act is amended by inserting the following Part after section 1175.28.0.4:

“PART VI.3.0.2

“SPECIAL TAX RELATING TO THE INCENTIVE DEDUCTION FOR THE COMMERCIALIZATION OF INNOVATIONS IN QUÉBEC

“1175.28.0.5. In this Part,

“legal protection” means a protection described in any of the definitions of “protected invention”, “protected plant variety” and “protected software” in section 737.18.43;

“qualified intellectual property asset” has the meaning assigned by section 737.18.43;

“taxation year” has the meaning assigned by Part I.

“1175.28.0.6. Where a corporation has deducted an amount in computing its taxable income under section 737.18.44 and where, in a particular taxation year, any of the events described in section 1175.28.0.7 occurs, the corporation shall pay, for that particular year, a tax equal to the amount by which the amount determined in accordance with the second paragraph is exceeded by the aggregate of all amounts each of which is the amount by which the tax payable by the corporation under Part I for a preceding taxation year for which it deducted an amount in computing taxable income under section 737.18.44 is exceeded by the tax it would have had to pay under Part I for that preceding year if

(a) such an amount had not been deducted in relation to any qualified intellectual property asset in respect of which an event described in any of paragraphs *a* to *c* of section 1175.28.0.7 occurs in the particular year or in a preceding taxation year; and

(b) section 737.18.44 had applied, in relation to any qualified intellectual property asset in respect of which an event described in paragraph *d* of section 1175.28.0.7 occurs in the particular year or in a preceding taxation year, with reference only to the expenditures referred to in subparagraphs *e* and *f* of the third paragraph of section 737.18.44 that were not reduced by a redetermination by the Minister.

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is the tax that the corporation shall pay under this section for a taxation year preceding the particular year.

“1175.28.0.7. The events to which section 1175.28.0.6 refers, in respect of a corporation, are the following:

(a) the application for legal protection in respect of a qualified intellectual property asset of the corporation is denied and that decision can no longer be appealed;

(b) the application for legal protection in respect of a qualified intellectual property asset of the corporation has not resulted in the issue of the relevant document by the competent authority within five years after the day on which the application was made, unless the corporation is able to show that the additional delays are not mainly attributable to it;

(c) the legal protection in respect of a qualified intellectual property asset of the corporation was invalidated in accordance with the procedure provided for in the relevant legislation; and

(d) a redetermination by the Minister reduces the expenditures referred to in subparagraphs *e* and *f* of the third paragraph of section 737.18.44 for the purpose of determining the amount deductible by the corporation under that section for a taxation year.

“1175.28.0.8. The tax paid at any time in a taxation year by a corporation to the Minister under section 1175.28.0.6 is deemed, for the purposes of the definition of “total taxes” in the first paragraph of sections 1029.8.36.166.40 and 1029.8.36.166.60.36, a tax paid by the corporation under Part I for the taxation year.

“1175.28.0.9. Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies from 1 January 2021.

199. (1) Section 1175.28.14 of the Act is amended

(1) by inserting “, 1029.8.36.166.60.36” after “1029.8.36.166.40” in paragraphs *a* and *a.1*;

(2) by replacing “of section” in paragraph *b* by “of sections 1029.8.36.166.60.36 and”.

(2) Subsection 1 has effect from 11 March 2020.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

200. (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by adding the following paragraph at the end:

“(18) the tax credit to support print media provided for in sections 1029.8.36.0.3.109 to 1029.8.36.0.3.119 of the Taxation Act.”

(2) Subsection 1 has effect from 1 January 2019.

201. (1) Section 5.4 of Schedule A to the Act is amended by replacing the portion of the fourth paragraph before subparagraph 1 by the following:

“For the purposes of subparagraph 3 of the first paragraph, a title is controlled by software allowing interactivity if the user participates in all or substantially all of the action of the title. In determining whether that condition is met, the following elements must be taken into account:”.

(2) Subsection 1 applies to a taxation year that begins after 10 March 2020, in respect of a title for which an application for a qualification certificate is made after that date.

202. (1) Section 6.4 of Schedule A to the Act is amended by replacing the portion of the fourth paragraph before subparagraph 1 by the following:

“For the purposes of subparagraph 2 of the first paragraph, a title is controlled by software allowing interactivity if the user participates in all or substantially all of the action of the title. In determining whether that condition is met, the following elements must be taken into account:”.

(2) Subsection 1 applies in respect of a corporation for which an application for a certificate is filed after 10 March 2020 for a taxation year that begins after that date.

203. (1) Section 13.11 of Schedule A to the Act is amended, in the first paragraph,

(1) by replacing subparagraph 2 by the following subparagraph:

“(2) the development or integration of information systems or of technology infrastructures, as well as, to the extent that it is incidental to such a development or integration activity carried on by the corporation, any activity relating to the maintenance or evolution of such information systems or such technology infrastructures or to the design or development of e-commerce solutions allowing a monetary transaction between the person on behalf of whom the design or development is carried out and that person’s customers; and”;

(2) by striking out subparagraph 3.

(2) Subsection 1 applies to a taxation year that begins after 10 March 2020.

204. (1) Section 16.2 of Schedule A to the Act is amended by replacing the third paragraph by the following paragraph:

“Despite the second paragraph, Investissement Québec may not accept an application for a certificate, in respect of a contract, filed with Investissement Québec before 27 March 2015 or after 10 March 2020, unless

(a) the contract was the subject of a written prior agreement, made before 11 March 2020, that meets the conditions of section 16.4; and

(b) the application is filed before 1 July 2020.”

(2) Subsection 1 has effect from 10 March 2020.

205. (1) Section 16.4 of Schedule A to the Act is amended by replacing “1 January 2020” in the portion before paragraph 1 by “11 March 2020”.

(2) Subsection 1 has effect from 10 March 2020.

206. (1) Schedule A to the Act is amended by adding the following chapter at the end:

“CHAPTER XIX

“SECTORAL PARAMETERS OF TAX CREDIT TO SUPPORT PRINT MEDIA

“DIVISION I

“INTERPRETATION AND GENERAL RULES

“19.1. In this chapter,

“tax credit to support print media” means the fiscal measure provided for in Division II.6.0.1.12 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year;

“transitional period” means the calendar year 2019;

“wholly-owned subsidiary” of a corporation or partnership has the meaning assigned by the first paragraph of section 1029.8.36.0.3.109 of the Taxation Act.

19.2. To benefit from the tax credit to support print media, a corporation or, if it claims the tax credit as a member of a partnership, the partnership must obtain the following certificates from Investissement Québec:

(1) a certificate in respect of a print media business carried on by the corporation or partnership (in this chapter referred to as a “business certificate”); and

(2) a certificate in respect of each individual for whom the corporation claims the tax credit (in this chapter referred to as an “employee certificate”).

The certificates must be obtained for each taxation year for which the corporation intends to benefit from the tax credit or for each fiscal period of the partnership of which the corporation is a member that ends in such a taxation year.

Where a corporation or a partnership has a wholly-owned subsidiary, it must also obtain from Investissement Québec, for a taxation year or a fiscal period, as the case may be, that includes all or part of the transitional period, a certificate (in this chapter referred to as an “employee certificate”) in respect of each individual who works for the wholly-owned subsidiary and whose wages are taken into account in computing the portion of the consideration in respect of which the corporation or a corporation that is a member of the partnership claims the tax credit.

19.3. Despite section 9.1 of this Act, the time limit within which a corporation or a partnership may apply for a certificate for a taxation year or a fiscal period, as the case may be, may not, for the purposes of this chapter, end before 16 September 2020.

“DIVISION II

“BUSINESS CERTIFICATE

“**19.4.** A business certificate issued to a corporation or a partnership for a taxation year or a fiscal period, as the case may be, certifies that, in the year or fiscal period, the corporation or partnership produced and disseminated a print media that is recognized as an eligible media. The name of that media and the address of the establishment in which its newsroom is located are specified in the certificate.

“**19.5.** A print media may be recognized as an eligible media if

(1) the media consists in the daily or periodic production and dissemination, by means of a print publication, an information website or a mobile application dedicated to information, of original information content that is specifically intended for the Québec public and pertains to general interest news covering at least three eligible themes; and

(2) the newsroom of that media is located in an establishment, situated in Canada, of the corporation or partnership that publishes it and brings together journalists responsible for original information content.

A print media published on a periodic basis is considered to be an eligible media only if it is produced and disseminated at least 10 times per year.

A corporation or a partnership must, to obtain a first business certificate, establish to Investissement Québec’s satisfaction that the print media that is referred to in the application for the certificate has been produced and disseminated during a period of at least 12 months before the application was filed.

“**19.6.** Original information content includes a news report, profile, interview, analysis, column, investigative report or editorial. Only written content may be recognized as original information content.

However, none of the following contents are considered to be original information content:

(1) content from a press agency or another media;

(2) specialized content pertaining to a type of personal, recreational or professional activity and geared specifically towards a group, association or category of persons;

(3) content for which a compensation is paid by a third person or a partnership;

(4) content of an advertising or promotional nature, such as an advertorial; and

(5) theme-based content on, for example, hunting and fishing, decoration or science.

A print media that includes, on an incidental basis, excluded content described in the second paragraph may nevertheless be recognized as an eligible media.

“19.7. Each of the following topical themes constitutes an eligible theme:

- (1) business and the economy;
- (2) culture;
- (3) international sector;
- (4) municipal affairs;
- (5) miscellaneous news items;
- (6) local interest news; and
- (7) politics.

“DIVISION III

“EMPLOYEE CERTIFICATE

“19.8. An employee certificate issued to a corporation or partnership certifies that the individual referred to in the certificate is recognized as an eligible employee of the corporation or partnership for, as the case may be, the taxation year or fiscal period for which the application for the certificate was made or for the part of that year or fiscal period that is specified in the certificate.

However, where the corporation’s taxation year or the partnership’s fiscal period includes all or part of the transitional period and the individual works for a wholly-owned subsidiary of the corporation or partnership, the employee certificate issued to the corporation or partnership in respect of the individual certifies that the individual is recognized as an eligible employee of the corporation’s or partnership’s wholly-owned subsidiary for, as the case may be, the taxation year or fiscal period or for the part of that year or fiscal period that is specified in the certificate.

“19.9. An individual may be recognized as an eligible employee of a corporation or partnership, if

- (1) the individual works full-time for the corporation or partnership, that is, at least 26 hours per week, for an expected minimum period of 40 weeks; and

(2) at least 75% of the individual’s duties consist in undertaking or directly supervising activities consisting in producing original information content intended for publication in a print media or information technology activities related to the production or dissemination of such contents.

For the purpose of determining whether an individual is recognized as an eligible employee of a corporation that is a wholly-owned subsidiary of another corporation or a partnership, for the purposes of subparagraph 2 of the first paragraph, only the activities that the individual undertakes or supervises on behalf of the other corporation or the partnership and that are information technology activities related to the production or dissemination of original information content intended for publication in a print media of the other corporation or the partnership are taken into account.

An individual’s tasks that relate to digital conversion activities or that are administrative tasks are not to be considered as part of duties consisting in undertaking or directly supervising activities to which subparagraph 2 of the first paragraph refers.

In this section,

“administrative tasks” include tasks relating to operations management, accounting, finance, legal affairs, public relations, communications, contract solicitation, and human and physical resources management;

“digital conversion activity” means an activity described in the first or second paragraph of section 18.12;

“print media” of a corporation or partnership means a print media whose name is specified in a business certificate that has been issued to the corporation or partnership, as the case may be.

“19.10. Activities consisting in producing original information content include researching, collecting information, verifying facts, photographing, writing, editing, designing and any other content preparation activity.

“19.11. The following activities are information technology activities:

(1) the management or operation of a computer system, an application or a technological infrastructure;

(2) the operation of a computerized customer relations management service;

(3) the management or operation of a marketing information system designed to raise the visibility of a print media and promote it to an existing or potential clientele; or

(4) any other information system management or operation activity carried on to produce or disseminate a print media.

“19.12. Where an individual is temporarily absent from work for reasons it considers reasonable, Investissement Québec may, for the purpose of determining whether the individual meets the conditions for recognition as an eligible employee of a corporation or partnership, consider that the individual continued to perform his or her duties throughout the period of absence exactly as he or she was performing them immediately before the beginning of that period.”

(2) Subsection 1 has effect from 1 January 2019.

207. Section 11.2 of Schedule C to the Act is amended by replacing “1 January 2024” in the second paragraph by “11 March 2020”.

208. (1) Section 8.3.1 of Schedule E to the Act is amended by replacing “31 December 2020” in the first paragraph by “31 December 2024”.

(2) Subsection 1 has effect from 10 March 2020.

209. (1) Section 8.3.2 of Schedule E to the Act is amended by replacing subparagraph 2 of the second paragraph by the following subparagraph:

“(2) 1 January 2025.”

(2) Subsection 1 has effect from 10 March 2020.

210. (1) Section 3.14.1 of Schedule H to the Act is amended by replacing the portion of paragraph 1 before subparagraph *b* by the following:

“(1) in the case of a film whose primary market is the television market or the online broadcasting market,

(*a*) a licence for adaptation in Québec was issued in respect of the film, which is derived from an audiovisual concept designed and arranged especially for television or online broadcasting, as the case may be, and is created outside Québec, and”.

(2) Subsection 1 applies in respect of a film for which an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

211. (1) Section 3.18 of Schedule H to the Act is amended by replacing paragraph 2 by the following paragraph:

“(2) in the case of a film intended for the television market or the online broadcasting market, it is written and developed in French, its financial structure includes 51% or more French-language television broadcasting or online broadcasting licences in dollar terms, and its initial broadcast in Québec is in French.”

(2) Subsection 1 applies in respect of a film for which an application for an advance ruling or, in the absence of such an application, an application for a qualification certificate is filed with the Société de développement des entreprises culturelles after 10 March 2020.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

212. (1) Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended

(1) by inserting the following definition in alphabetical order in the first paragraph:

““specified expenditure” of a designated employer, in relation to an employee, means the aggregate of all amounts each of which is the amount paid by the employer under the first paragraph of section 34 that is attributable to the employee’s specified wages for a week included in a specified period;”;

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

““designated employee” means an individual employed by a designated employer in a specified period, other than, if the specified period begins before 5 July 2020, an employee who receives no remuneration from the employer for at least 14 consecutive days included in that period;”;

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

““designated employer” for a year means an employer who has an establishment in Québec in the year and is a qualifying entity for a specified period included in the year;”;

(4) by inserting the following definition in alphabetical order in the first paragraph:

““qualifying entity” for a specified period means an entity that, for the specified period, is a qualifying entity for the purposes of section 125.7 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and, if the specified period begins after 4 July 2020, in respect of which the necessary conditions for an overpayment to be deemed to arise are met, in the specified period, under subsection 2 of that section 125.7 for the taxation year in which the specified period ends;”;

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

““specified period” means

- (a) the period that begins on 15 March 2020 and ends on 11 April 2020;
- (b) the period that begins on 12 April 2020 and ends on 9 May 2020;
- (c) the period that begins on 10 May 2020 and ends on 6 June 2020;
- (d) the period that begins on 7 June 2020 and ends on 4 July 2020;
- (e) the period that begins on 5 July 2020 and ends on 1 August 2020;
- (f) the period that begins on 2 August 2020 and ends on 29 August 2020;
- (g) the period that begins on 30 August 2020 and ends on 26 September 2020;
- (h) the period that begins on 27 September 2020 and ends on 24 October 2020;
- (i) the period that begins on 25 October 2020 and ends on 21 November 2020;
- (j) the period that begins on 22 November 2020 and ends on 19 December 2020;
- (k) the period that begins on 20 December 2020 and ends on 16 January 2021;
- (l) the period that begins on 17 January 2021 and ends on 13 February 2021;
- (m) the period that begins on 14 February 2021 and ends on 13 March 2021;
- (n) the period that begins on 14 March 2021 and ends on 10 April 2021;
- (o) the period that begins on 11 April 2021 and ends on 8 May 2021;
- (p) the period that begins on 9 May 2021 and ends on 5 June 2021; or
- (q) a prescribed period;”;

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

““specified wages” of an employee means the wages paid, allocated, granted or awarded to the employee by the employee’s designated employer for a week in which the employee is on leave with pay and that is included in a specified period during which the employee is a designated employee and the designated employer is a qualifying entity;”;

(7) by adding the following paragraph at the end:

“Where an employee’s wages are paid on or before 31 December 2020 in respect of a week included in the period described in paragraph *k* of the definition of “specified period” in the first paragraph, the definition of “specified wages” in the first paragraph is to be read as follows, in respect of those wages:

““specified wages” of an employee means the wages paid, allocated, granted or awarded to the employee by the employee’s designated employer for a week in which the employee is on leave with pay and that is included in a specified period during which the employee is a designated employee and the designated employer would be a qualifying entity if that specified period ended on 31 December 2020;”

(2) Subsection 1 has effect from 15 March 2020.

213. (1) Section 34.1.5 of the Act is amended by replacing “section 726.43” in paragraph *e* by “any of sections 726.43 to 726.43.2”.

(2) Subsection 1 has effect from 10 March 2020.

214. (1) Section 34.1.12 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) the aggregate of all amounts each of which is the amount by which the qualified wages paid or deemed to be paid by the specified employer in the particular year to an eligible employee exceed the portion of such qualified wages that constitutes the specified wages the specified employer pays, allocates, grants or awards to that employee for the year;”.

(2) Subsection 1 has effect from 15 March 2020.

215. (1) The Act is amended by inserting the following subdivision after section 34.1.18:

“§3.4. — *Credit in respect of employees on paid leave*

“34.1.18.1. A designated employer for a year who encloses the documents and information described in the second paragraph with the information return referred to in section 3 of the Regulation respecting contributions to the Québec Health Insurance Plan (chapter R-5, r. 1) that the employer is required to file for the year is, subject to the third paragraph, deemed, on the date on or before which the employer is required to file the information return for the year, to have made an overpayment to the Minister of Revenue, for the purposes of this division and in respect of the year, of an amount equal to the aggregate of all amounts each of which is the employer’s specified expenditure in relation to an employee for the year.

The documents and information to which the first paragraph refers are, in addition to a copy of the documents filed in accordance with paragraph *a* of the definition of “qualifying entity” in subsection 1 of section 125.7 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), those that allow the Minister of Revenue to establish the amount of the overpayment referred to in the first paragraph.

For the purpose of computing the payments that a designated employer referred to in the first paragraph is required to make after 30 April 2020, under subparagraph *a* of the first paragraph of section 34.0.0.0.1, the employer is deemed to have made an overpayment to the Minister of Revenue, for the purposes of this division and in respect of the year, on the date on or before which each payment is required to be made, equal to the amount by which the amount that would be determined under the first paragraph for the year if the year ended at that date exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed under this paragraph to be an overpayment made to the Minister of Revenue in the year but before that date.

The Minister of Revenue shall refund to the designated employer the amount by which the amount determined in respect of the employer under the first paragraph as an overpayment in respect of the year exceeds the aggregate of all amounts each of which is an amount deemed under the third paragraph to be an overpayment made to the Minister of Revenue during the year.

For the purposes of this subdivision,

(*a*) the expression “person” in the definition of “employer” in the first paragraph of section 33 is deemed to include a partnership; and

(*b*) wages paid or deemed to be paid by an employer as a member of a partnership are deemed to be paid by the partnership and not by the employer.

“34.1.18.2. The Minister of Revenue shall, with dispatch, examine the documents and information described in the second paragraph of section 34.1.18.1 that are filed with the Minister of Revenue by an employer, determine the amount that the employer is deemed to have overpaid under the first paragraph of that section and send the employer a notice of determination.

Paragraph *f* of section 312 of the Taxation Act (chapter I-3), paragraph *e* of section 336 of that Act and the provisions of Book IX of Part I of that Act and of Chapters III.1 and III.2 of the Tax Administration Act (chapter A-6.002), as they relate to an assessment or a reassessment and to a determination or redetermination of tax, apply, with the necessary modifications, to a determination or redetermination of the amount of the overpayment referred to in the first paragraph of section 34.1.18.1.”

(2) Subsection 1 has effect from 15 March 2020.

216. (1) Section 37.4 of the Act is amended, in subparagraph *a* of the first paragraph,

(1) by replacing subparagraphs i to iv by the following subparagraphs:

“i. \$16,660 where, for the year, the individual has no eligible spouse and no dependent child,

“ii. \$27,010 where, for the year, the individual has no eligible spouse but has one dependent child,

“iii. \$30,540 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“iv. \$27,010 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

(2) by replacing subparagraphs 1 and 2 of subparagraph v by the following subparagraphs:

“(1) \$30,540 where the individual has one dependent child for the year, or

“(2) \$33,800 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2020. In addition, where section 37.4 of the Act applies to the year 2019, it is to be read as if, in subparagraph *a* of the first paragraph,

(1) subparagraphs i to iv were replaced by the following subparagraphs:

“i. \$16,460 where, for the year, the individual has no eligible spouse and no dependent child,

“ii. \$26,670 where, for the year, the individual has no eligible spouse but has one dependent child,

“iii. \$30,140 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“iv. \$26,670 where, for the year, the individual has an eligible spouse but has no dependent child, and”;

(2) subparagraphs 1 and 2 of subparagraph v were replaced by the following subparagraphs:

“(1) \$30,140 where the individual has one dependent child for the year, or

“(2) \$33,345 where the individual has more than one dependent child for the year; and”.

217. Section 37.7 of the Act is amended by striking out “or receives an allowance under the second paragraph of section 67 of the Social Aid Act (1969, chapter 63),” in paragraph *e*.

ACT RESPECTING THE QUÉBEC PENSION PLAN

218. (1) The Act respecting the Québec Pension Plan (chapter R-9) is amended by inserting the following section after section 59.1:

“59.2. For the purposes of this Act, an amount deducted by an employer under section 59 for a particular year after the year 2015 in respect of an excess payment that was paid by the employer to an employee—as a result of an administrative, clerical or system error—as remuneration in respect of pensionable employment is deemed, to the extent provided for in the second paragraph, not to have been deducted if

(*a*) before the end of the third year that follows the year in which the amount was deducted,

- i. the employer elects to have this section apply in respect of the amount, and
- ii. the employee has repaid, or made an arrangement to repay, the employer;

(*b*) before making the election referred to in subparagraph i of subparagraph *a*, the employer has not filed an information return correcting for the excess payment; and

(*c*) any additional conditions determined by the Minister are met.

The amount that is deemed under the first paragraph not to have been deducted is the lesser of the amount that was deducted by the employer under section 59 for the particular year in respect of the excess payment and the amount by which the aggregate of all amounts each of which is an amount that was deducted by the employer under that section as the employee’s contributions for the particular year exceeds the aggregate of all amounts each of which is an amount that would have been so deducted by the employer as such contributions for the particular year had the employer not made the excess payment.”

(2) Subsection 1 applies in respect of an excess payment of remuneration made after 31 December 2015.

219. (1) The Act is amended by inserting the following section before section 79:

“**78.2.** Where an amount paid to the Minister by an employer is deemed under section 59.2 not to have been deducted, the Minister may refund that amount to the employer if the employer applies to the Minister for the refund within four years after the end of the year for which the amount was paid.”

(2) Subsection 1 applies in respect of an excess payment of remuneration made after 31 December 2015.

ACT RESPECTING THE QUÉBEC SALES TAX

220. (1) Section 1 of the Act respecting the Québec sales tax (chapter T-0.1) is amended

(1) by replacing paragraph 1 of the definition of “taxi business” by the following paragraph:

“(1) a business carried on in Québec of transporting passengers by taxi or other similar vehicle for fares that are regulated by the Act respecting remunerated passenger transportation by automobile (chapter T-11.2); or”;

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

““emission allowance” means

(1) an allowance, credit or similar instrument (other than a prescribed allowance, credit or instrument) that

(a) is issued or created by, or on behalf of,

i. a government, a government of a foreign country, a government of a political subdivision of a country, a supranational organization or an international organization (each of which is in this definition referred to as a “regulator”),

ii. a board, commission or other body established by a regulator, or

iii. an agency of a regulator,

(b) can be used to satisfy a requirement under

i. a scheme or arrangement implemented by, or on behalf of, a regulator to regulate greenhouse gas emissions, or

ii. a prescribed scheme or arrangement, and

(c) represents a specific quantity of greenhouse gas emissions expressed as carbon dioxide equivalent; or

(2) a prescribed property;”.

(2) Paragraph 1 of subsection 1 has effect from 10 October 2020.

(3) Paragraph 2 of subsection 1 has effect from 27 June 2018. It also applies in respect of a supply made before 27 June 2018 if an amount of tax payable under section 16 of the Act in respect of the supply was not collected before that date.

221. (1) Section 18 of the Act is amended

(1) by striking out subparagraph *a* of paragraph 3;

(2) by replacing subparagraph *b* of paragraph 3 by the following subparagraph:

“(b) the recipient gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of an acquisition of physical possession of the property by the recipient, and”;

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

“(3.1) a supply, other than a prescribed supply, of corporeal movable property made by way of sale by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(a) the recipient gives to another registrant a certificate described in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2.1 in respect of an acquisition of physical possession of the property by a third person, and

(b) the property

i. is not acquired by the recipient for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount deemed under paragraph *d.3* or *d.4* of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;”;

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

“(4) a supply, other than a prescribed supply, of corporeal movable property made by way of sale at a particular time by a person not resident in Québec who is not registered under Division I of Chapter VIII to a recipient who is a registrant where

(a) the recipient acquires physical possession of the property as the recipient of another supply of the property made by way of lease, licence or similar arrangement and

i. gives to another registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the recipient under subparagraph 1 of the first paragraph of section 327.7 in respect of the property, and

(b) either

i. the recipient is not acquiring, as the recipient of the taxable supply, the property for consumption, use or supply exclusively in the course of commercial activities of the recipient, or

ii. the property is a passenger vehicle that the recipient is acquiring for use in Québec as capital property in the course of commercial activities of the recipient and in respect of which the capital cost to the recipient exceeds the amount deemed under paragraph *d.3* or *d.4* of section 99 of the Taxation Act to be the capital cost of the passenger vehicle to the recipient for the purposes of that Act;”.

(2) Paragraphs 1, 2 and 4 of subsection 1 apply in respect of a supply made after 14 December 2017.

(3) Paragraph 3 of subsection 1 applies in respect of a supply made after 22 July 2016. However, where section 18 of the Act applies in respect of a supply made before 15 December 2017, it is to be read as if “in subparagraph *a* of subparagraph 3” in subparagraph *a* of paragraph 3.1 were replaced by “in subparagraph *a* of subparagraph 5”.

222. (1) Section 22.6 of the Act is amended by replacing “327.2 and 327.3” by “327.2 to 327.3”.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016. It also applies in respect of a supply made before 23 July 2016 in respect of which, before that date, no amount was charged, collected or remitted as or on account of tax under Title I of the Act.

223. (1) Section 81 of the Act is amended

(1) by replacing paragraph 7 by the following paragraph:

“(7) goods to the supply of which any of Divisions I to IV of Chapter IV, except paragraph 3.1 of section 178, or any of sections 198.1, 198.2 and 198.4 to 198.6 applies;”;

(2) by inserting the following paragraph after paragraph 8:

“(8.0.1) goods, other than prescribed goods for the purposes of paragraph 8, that are transported by courier if

(a) the goods are imported into Canada from the United States or Mexico, as determined in accordance with the Customs Tariff, and

(b) the goods have a value of not more than \$40;”;

(3) by adding the following paragraph at the end:

“(16) an in vitro embryo, as defined in section 3 of the Assisted Human Reproduction Act (Statutes of Canada, 2004, chapter 2).”

(2) Paragraph 2 of subsection 1 has effect from 1 July 2020.

(3) Paragraph 3 of subsection 1 has effect from 20 March 2019.

224. (1) The Act is amended by inserting the following section after section 114.3:

“**114.4.** A supply of a service is exempt if all or substantially all of the consideration for the supply is reasonably attributable to two or more particular services, each of which meets the following conditions:

(1) the particular service is rendered in the course of making the supply; and

(2) a supply of the particular service would be a supply referred to in any of sections 112 to 114.3, if the particular service were supplied separately.”

(2) Subsection 1 applies in respect of a supply made after 19 March 2019.

225. (1) Section 174 of the Act is amended by adding the following paragraph at the end:

“(5) a supply of an ovum, as defined in section 3 of the Assisted Human Reproduction Act (Statutes of Canada, 2004, chapter 2).”

(2) Subsection 1 has effect from 20 March 2019.

226. (1) Section 175 of the Act is replaced by the following section:

“**175.** For the purposes of this division, “specified professional” means

(1) in respect of a supply referred to in any of paragraphs 22, 23.1 and 34 of section 176,

(a) a physician within the meaning of the Medical Act (chapter M-9), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine;

(b) a person who is entitled under the Professional Code (chapter C-26) to practise the profession of physiotherapy or occupational therapy, including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession;

(c) a nurse who is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession; or

(d) a podiatrist within the meaning of the Podiatry Act (chapter P-12), including a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of podiatry or chiropody; or

(2) in respect of any other supply, a person described in any of subparagraphs *a* to *c* of paragraph 1.”

(2) Subsection 1 applies in respect of a supply made after 19 March 2019.

227. (1) Section 183 of the Act is amended by adding the following paragraph at the end:

“(3) a supply described in any of paragraphs 4 to 6 of section 23 that is made in Québec by the person, if the person is referred to in that paragraph.”

(2) Subsection 1 applies in respect of a service that relates to a supply made after 31 December 2018.

(3) Where a person has paid an amount as or on account of tax in respect of the supply of a service and, because of the application of subsection 1, the supply is a zero-rated supply, the person may apply for a rebate of that amount if the person files an application for a rebate with the Minister of Revenue on or before 2 June 2023.

(4) Where, in determining the amount of any fees, interest and penalties for which a person is liable under the Act, the Minister of Revenue took into consideration, in computing the person’s net tax for any reporting period of the person, an amount as or on account of tax that was not collected in respect of the supply of a service and, because of the application of subsection 1, the supply is a zero-rated supply, the person is entitled to request in writing, on or before 2 June 2023, that the Minister make an assessment or reassessment for the purpose of taking into account that the supply is a zero-rated supply and, on receipt of the request, the Minister shall with all due dispatch

(1) consider the request; and

(2) make an assessment or reassessment concerning the person's net tax, for any reporting period of the person, as well as the person's interest, penalties or other obligations, but only to the extent that the assessment or reassessment may reasonably be regarded as relating to that amount.

228. (1) Sections 327.1 and 327.2 of the Act are replaced by the following sections:

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

(1) a registrant

(a) makes a taxable supply in Québec of particular corporeal movable property by way of sale to a non-resident person,

(b) makes a taxable supply in Québec of a service of manufacturing or producing particular corporeal movable property to a non-resident person,

(c) acquires physical possession of particular corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the particular property to a non-resident person, or

(d) acquires—as the recipient of a supply of particular corporeal movable property made by way of lease, licence or similar arrangement by a non-resident person—physical possession of the particular property and either

i. gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the particular property, or

ii. claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the particular property;

(2) the registrant, at a particular time, causes physical possession of the particular property to be transferred, at a place in Québec, to a third person (in this section referred to as the “consignee”) or to the non-resident person; and

(3) the non-resident person is not a consumer of the particular property.

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

(1) the registrant is deemed to have made a taxable supply in Québec of the particular property to the non-resident person and the non-resident person is deemed to have received the taxable supply from the registrant;

(2) the taxable supply is deemed to have been made for consideration, that becomes due and is paid at the particular time, equal to

(a) except where subparagraph *b* applies, the fair market value of the particular property at the particular time, and

(b) where the registrant has caused physical possession of the particular property to be transferred to a consignee that is acquiring physical possession of the particular property as the recipient of a supply made by the non-resident person by way of sale for no consideration, nil; and

(3) the registrant is deemed not to have made the taxable supply referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph in respect of the particular property to the non-resident person, unless that supply is a supply of a service of storing the particular property.

“327.2. The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of that subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(a) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(b) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the “consignee”) that is registered under Division I of Chapter VIII;

(3) the consignee is acquiring physical possession of the particular property

(a) as the recipient of a taxable supply of the particular property made by a non-resident person,

(b) for the purpose of making a taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to a non-resident person that is not a consumer of the other property, if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(c) if the particular property is not property of a person that is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial

service in respect of the particular property to a non-resident person that is not a consumer of the particular property, or

(*d*) for the purpose of making a taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to a non-resident person that is not a consumer of the other property, if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service; and

(4) the consignee gives to the registrant, and the registrant retains, a certificate that

(*a*) states the consignee's name and registration number assigned under section 415 or 415.0.6,

(*b*) acknowledges that the consignee is acquiring physical possession of the particular property as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 or for a purpose referred to in any of subparagraphs *b* to *d* of subparagraph 3, and

(*c*) acknowledges that the consignee is assuming liability to pay or remit any amount that is or may become payable or remittable by the consignee

i. under section 18 in respect of the particular property, or

ii. under this Title in respect of a supply, deemed under subparagraph 1 of the second paragraph of section 327.1 to have been made by the consignee, of the particular property or of the other property referred to in subparagraph *b* or *d* of subparagraph 3.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec."

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

(3) In addition,

(1) where section 327.1 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if the portion before subparagraph *a* of subparagraph 1 of the first paragraph were replaced by the following:

“327.1. Where a registrant, under an agreement between the registrant and a non-resident person, makes a taxable supply in Québec of corporeal movable property to the non-resident person by way of sale, or a taxable supply in Québec of a service of manufacturing or producing corporeal movable property, to the non-resident person, or acquires physical possession of corporeal movable property, other than property of a person who is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person and where, under the agreement, the registrant at any time causes physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the “consignee”) or to the non-resident person, the following rules apply:

(1) the registrant is deemed to have made in Québec to the non-resident person, and the non-resident person is deemed to have received from the registrant, a taxable supply of the property which is deemed to have been made for consideration, that becomes due and is paid at that time, equal to”;

(2) where section 327.2 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read

(a) as if “in Québec” were inserted after “for the purpose of making a taxable supply” in subparagraph *a* of subparagraph 1 of the first paragraph;

(b) as if the following subparagraph were inserted after subparagraph 2 of the first paragraph:

“(2.1) the consignee is acquiring physical possession of the property

(a) as the recipient of a taxable supply of the property made by a non-resident person,

(b) for the purpose of making a taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to a non-resident person who is not a consumer of the service, if the property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other corporeal movable property in the manufacture or production of the corporeal movable property, or

ii. is directly consumed or used in the manufacture or production of the other corporeal movable property,

(c) if the property is not property of a person who is resident in Québec, for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to a non-resident person who is not a consumer of the service, or

(d) for the purpose of making a taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person who is resident in Québec) to a non-resident person who is not a consumer of the service, if the property

i. is incorporated into, attached to, or combined or assembled with, the other corporeal movable property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service; and”;

(c) as if subparagraph *b* of subparagraph 3 of the first paragraph were replaced by the following subparagraph:

“(b) acknowledges that the consignee is acquiring physical possession of the property as the recipient of a supply referred to in subparagraph *a* of subparagraph 2.1 or for a purpose referred to in any of subparagraphs *b* to *d* of that subparagraph 2.1, and”;

(d) as if the following subparagraph were added at the end of the first paragraph:

“(c) acknowledges that the consignee, on taking physical possession of the property, is assuming liability to pay or remit any amount that is or may become payable or remittable by the consignee

i. under section 18 in respect of the property, or

ii. under this Title in respect of a supply, deemed under subparagraph 1 of the first paragraph of section 327.1 to have been made by the consignee, of the property or of the other corporeal movable property referred to in subparagraph *b* or *d* of subparagraph 2.1.”; and

(3) in respect of a supply made before 23 July 2016 in respect of which, before that date, an amount was charged, collected or remitted as or on account of tax under Title I of the Act, it is to be read as if the provisions in subparagraphs *b* to *d* of subparagraph 2 were taken into account.

229. (1) The Act is amended by inserting the following section after section 327.2:

“**327.2.1.** The second paragraph of section 327.1 does not apply to a taxable supply referred to in subparagraph *a* of subparagraph 1 or to an acquisition referred to in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 to 3 of the first paragraph of section 327.1 apply to

(a) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(b) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1;

(2) the transfer referred to in subparagraph 2 of the first paragraph of section 327.1 of physical possession of the particular property is to a person (in this section referred to as the “consignee”) that is not entitled, under section 327.2, to give to the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer;

(3) either

(a) the particular property is, immediately after the particular time referred to in subparagraph 2 of the first paragraph of section 327.1, property of a particular person that is registered under Division I of Chapter VIII and that is neither the registrant nor the consignee, and the registrant retains a certificate that

i. is given to the registrant by the particular person,

ii. states the particular person’s name and registration number assigned under section 415 or 415.0.6,

iii. acknowledges that the particular property is, immediately after the particular time, property of the particular person, and

iv. where the particular property was acquired by the particular person by way of sale from a non-resident person, acknowledges that the particular person is assuming liability to pay any amount that is or may become payable by the particular person under section 18 in respect of the particular property, or

(b) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply by way of sale of the particular property to the consignee before the particular time, the consignee is acquiring physical possession of the particular property at the particular time as the recipient of that taxable supply, and the registrant retains a certificate that

i. is given to the registrant by the particular person, or by the consignee insofar as the consignee is registered under Division I of Chapter VIII,

ii. states the particular person’s name and registration number assigned under section 415 or 415.0.6,

iii. if the certificate is given by the consignee, states the consignee’s name and registration number assigned under section 415 or 415.0.6, and

iv. acknowledges that the particular person made a taxable supply by way of sale of the particular property to the consignee before the particular time and that the consignee acquired physical possession of the particular property at the particular time as the recipient of that taxable supply; and

(4) where subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 applies, the property is delivered or made available to the particular person referred to in subparagraph *a* or *b* of subparagraph 3, after the property is delivered or made available to the non-resident person referred to in subparagraph *a* of subparagraph 1 of the first paragraph of section 327.1 under the agreement for the taxable supply referred to in that subparagraph *a*.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the taxable supply referred to in that subparagraph *a* is deemed to have been made outside Québec.”

(2) Subsection 1 applies in respect of a supply made after 14 December 2017. It also applies

(1) in respect of a supply made after 22 July 2016 and before 15 December 2017, in which case section 327.2.1 of the Act is to be read as follows:

“**327.2.1.** Section 327.1 does not apply to a supply referred to in subparagraph 1, if

(1) a registrant, under an agreement between the registrant and a non-resident person,

(a) makes a taxable supply in Québec of corporeal movable property by way of sale to the non-resident person,

(b) makes a taxable supply in Québec of a service of manufacturing or producing corporeal movable property to the non-resident person, or

(c) acquires physical possession of corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person;

(2) under the agreement, the registrant causes, at a particular time, physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the “consignee”);

(3) the non-resident person is not a consumer of the property or service supplied by the registrant under the agreement;

(4) the consignee is not entitled, under section 327.2, to give to the registrant a certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of the transfer of physical possession of the property to the consignee; and

(5) as the case may be,

(a) the property is, immediately after the particular time, property of a particular person that is registered under Division I of Chapter VIII and that is neither the registrant nor the consignee, and the registrant retains a certificate that

- i. is given to the registrant by the particular person,
- ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,
- iii. acknowledges that the property is, immediately after the particular time, property of the particular person, and
- iv. where the property was acquired by the particular person by way of sale from a non-resident person, acknowledges that the particular person is assuming liability to pay any amount that is or may become payable by the particular person under section 18 in respect of the property,

(b) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply by way of sale of the property to the consignee before the particular time, the consignee is acquiring physical possession of the property at the particular time as the recipient of that taxable supply, and the registrant retains a certificate that

- i. is given to the registrant by the particular person, or by the consignee provided that the consignee is registered under Division I of Chapter VIII,
- ii. states the particular person's name and registration number assigned under section 415 or 415.0.6,
- iii. if the certificate is given by the consignee, states the consignee's name and registration number assigned under section 415 or 415.0.6, and
- iv. acknowledges that the particular person made a taxable supply by way of sale of the property to the consignee before the particular time and that the consignee acquired physical possession of the property at the particular time as the recipient of that taxable supply, or

(c) where subparagraph *a* of subparagraph 1 applies, the property is delivered or made available to the particular person referred to in subparagraph *a* or *b* of subparagraph 5, after the property is delivered or made available to the non-resident person under the agreement.

Where the first paragraph applies, any supply made by the registrant and referred to in subparagraph 1 of the first paragraph is deemed to have been made outside Québec, except in the case of a supply of a service of shipping the property.”;

(2) in respect of a supply made before 23 July 2016 in respect of which, before that date, no amount has been charged, collected or remitted as or on account of tax under Title I of the Act, in which case section 327.2.1 of the Act is to be read, subject to paragraph 3, as follows:

“327.2.1. Section 327.1 does not apply to a supply referred to in subparagraph 1, if

(1) a registrant, under an agreement between the registrant and a non-resident person,

(a) makes a taxable supply in Québec of corporeal movable property by way of sale to the non-resident person,

(b) makes a taxable supply in Québec of a service of manufacturing or producing corporeal movable property to the non-resident person, or

(c) acquires physical possession of corporeal movable property (other than property of a person that is resident in Québec) for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person;

(2) under the agreement, the registrant causes, at a particular time, physical possession of the property to be transferred, at a place in Québec, to a third person (in this section referred to as the “consignee”);

(3) the non-resident person is not a consumer of the property or service supplied by the registrant under the agreement;

(4) a particular person, other than the registrant, that is registered under Division I of Chapter VIII makes a taxable supply of the property to the consignee;

(5) the consignee is acquiring physical possession of the property at the particular time as the recipient of the taxable supply referred to in subparagraph 4; and

(6) the registrant retains a certificate that

(a) is given to the registrant by the particular person, or by the consignee provided that the consignee is registered under Division I of Chapter VIII,

(b) states the particular person’s name and registration number assigned under section 415 or 415.0.6, and

(c) if the certificate is given by the consignee, states the consignee’s name and registration number assigned under section 415 or 415.0.6.

Where the first paragraph applies, any supply made by the registrant and referred to in subparagraph 1 of the first paragraph is deemed to have been made outside Québec, except in the case of a supply of a service of shipping the property.”; and

(3) in respect of a supply made before 19 June 2014 in respect of which no amount has been charged, collected or remitted as or on account of tax under Title I of the Act, in which case section 327.2.1 of the Act is to be read as if “under section 415 or 415.0.6” in subparagraphs *b* and *c* of subparagraph 6 of the first paragraph were replaced by “under section 415”.

230. (1) Sections 327.3 to 327.5 of the Act are replaced by the following sections:

“327.3. The second paragraph of section 327.1 does not apply to a taxable supply described in subparagraph *a* of subparagraph 1, nor to an acquisition described in subparagraph *b* of subparagraph 1, if

(1) subparagraphs 1 and 3 of the first paragraph of section 327.1 apply to

(*a*) a taxable supply in respect of particular corporeal movable property that is made by a registrant and is referred to in any of subparagraphs *a* to *c* of subparagraph 1 of the first paragraph of section 327.1, or

(*b*) an acquisition by a registrant of physical possession of particular corporeal movable property that is referred to in subparagraph *d* of subparagraph 1 of the first paragraph of section 327.1; and

(2) either

(*a*) the registrant

i. causes physical possession of the particular property to be transferred at a place outside Québec,

ii. ships the particular property to a destination outside Québec that is specified in the contract for carriage of the particular property,

iii. causes physical possession of the particular property to be transferred to a common carrier or consignee that has been retained to ship the particular property to a destination outside Québec, or

iv. sends the particular property by mail or courier to an address outside Québec, or

(*b*) the following conditions are met:

i. the registrant causes physical possession of the particular property to be transferred at a place in Québec to a person (in this subparagraph *b* referred to as the “shipper”),

ii. after that transfer, the shipper ships the particular property outside Québec as soon as is reasonable having regard to the circumstances surrounding the shipping outside Québec and, if applicable, the normal business practices of the shipper and of the owner of the particular property,

iii. the particular property has not been acquired by any owner of the particular property for consumption, use or supply in Québec at any time after that transfer and before the particular property is shipped outside Québec,

iv. after that transfer but before the particular property is shipped outside Québec, the particular property is not further processed, transformed or altered except to the extent reasonably necessary or incidental to its transportation, and

v. the registrant maintains evidence satisfactory to the Minister of the shipping outside Québec of the particular property or, if the shipper is authorized under section 427.3, the shipper provides the registrant with a certificate in which the shipper certifies that the particular property will be shipped outside Québec in the circumstances described in subparagraphs ii to iv.

Where subparagraph *a* of subparagraph 1 of the first paragraph applies, the supply referred to in subparagraph *a* is deemed to have been made outside Québec.

For the purposes of subparagraph iii of subparagraph *b* of subparagraph 2 of the first paragraph, if the only use of railway rolling stock after physical possession of it is transferred as described in that subparagraph iii and before it is next shipped outside Québec is for the purpose of transporting corporeal movable property or passengers in the course of its shipment outside Québec and that shipment occurs within 60 days after the day on which the transfer takes place, that use of the rolling stock is deemed to take place entirely outside Québec.

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

(1) a particular registrant makes a particular taxable supply in Québec of particular corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the particular property; and

(2) the particular registrant or another registrant has physical possession of the particular property at the particular time at which the particular property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply and retains physical possession of the particular property after the particular time

(*a*) solely for the purpose of transferring physical possession of the particular property to the particular non-resident person, a person (in this section referred to as a “subsequent purchaser”) that subsequently acquires ownership of the particular property or a person designated by the particular non-resident person or a subsequent purchaser,

(b) for the purpose of making another taxable supply in Québec of a commercial service in respect of the particular property to the particular non-resident person or a subsequent purchaser,

(c) for the purpose of making another taxable supply in Québec of a service of manufacturing or producing other corporeal movable property to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is transformed or incorporated into, attached to, or combined or assembled with, the other property in the manufacture or production of the other property, or

ii. is directly consumed or used in the manufacture or production of the other property,

(d) for the purpose of making another taxable supply in Québec of a commercial service in respect of other corporeal movable property (other than property of a person that is resident in Québec) to the particular non-resident person or to another non-resident person, if the particular non-resident person or the other non-resident person, as the case may be, is not a consumer of the other property and if the particular property

i. is incorporated into, attached to, or combined or assembled with, the other property in the provision of the commercial service, or

ii. is directly consumed or used in the provision of the commercial service, or

(e) where section 327.6.2 does not apply in respect of the particular taxable supply, as the recipient of another supply of the particular property made by the particular non-resident person, by a subsequent purchaser or by a lessee or sub-lessee of a subsequent purchaser.

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

(1) where the particular registrant has physical possession of the particular property at the particular time,

(a) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec,

(b) if any of subparagraphs *a* to *d* of subparagraph 2 of the first paragraph applies, the particular registrant is deemed for the purposes of this division

i. except if subparagraph ii applies, to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, or

ii. if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to the particular non-resident person or to a non-resident subsequent purchaser that is not a consumer of the particular property or if subparagraph *c* or *d* of subparagraph 2 of the first paragraph applies, to have acquired, at the particular time, physical possession of the particular property for the purpose referred to in any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph, and

(*c*) if subparagraph *e* of subparagraph 2 of the first paragraph applies, for the purposes of this division and of section 18,

i. the particular registrant is deemed to have acquired physical possession of the particular property, as the recipient of the other supply referred to in that subparagraph *e*, from another person that is a registrant,

ii. that acquisition of physical possession of the particular property is deemed to have occurred at the time when, and at the place where, the particular property is delivered or made available to the particular registrant under the agreement for that other supply, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the particular property; and

(2) where another registrant has physical possession of the particular property at the particular time, for the purposes of this division and of section 18,

(*a*) if subparagraph *a* of subparagraph 2 of the first paragraph applies and the other registrant gives to the particular registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the particular property,

i. the particular registrant is deemed to have caused, at the particular time, physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired, at the particular time, physical possession of the particular property for the purpose of making a taxable supply in Québec to the particular non-resident person of a commercial service in respect of the particular property that is not a storage service, and

iii. the certificate is deemed to be a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer referred to in subparagraph i and the acquisition referred to in subparagraph ii,

(*b*) if any of subparagraphs *b* to *d* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred at a place in Québec to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant for the purpose referred to in any of those subparagraphs *b* to *d*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the particular time or at the time specified in the third paragraph, as the case may be, and

(c) if subparagraph *e* of subparagraph 2 of the first paragraph applies,

i. the particular registrant is deemed to have caused physical possession of the particular property to be transferred to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the particular property from the particular registrant as the recipient of the other supply referred to in that subparagraph *e*, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the particular property, at the time when, and at the place where, the particular property is delivered or made available to the other registrant under the agreement for that other supply.

The time to which subparagraph iii of subparagraph *b* of subparagraph 2 of the second paragraph refers is, if subparagraph *b* of subparagraph 2 of the first paragraph applies and the other taxable supply referred to in that subparagraph *b* is to be made to a subsequent purchaser that is registered under Division I of Chapter VIII, the time at which the particular property is delivered or made available to the subsequent purchaser.

“327.5. For the purposes of this division and of section 18, where a registrant at a particular time transfers physical possession of corporeal movable property to a depositary solely for the purpose of storing or shipping the property and the depositary has not, at or before that particular time, given the registrant a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the transfer of physical possession of the property, the following rules apply:

(1) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to another person, other than the registrant, that is named at the particular time in the agreement,

(a) the registrant is deemed not to have caused physical possession of the property to be transferred to the depositary and the depositary is deemed not to have acquired physical possession of the property,

(b) the registrant is deemed to have caused physical possession of the property to be transferred to the other person at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary,

(c) the other person is deemed to have acquired physical possession of the property from the registrant for the purpose for which the other person is acquiring physical possession of the property from the depositary, and

(d) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where physical possession of the property is transferred to the other person by the depositary; and

(2) where, under the agreement with the depositary for storing or shipping the property, the depositary is required to transfer physical possession of the property to the registrant or to another person (in this section referred to as the “consignee”) that is to be identified after the particular time,

(a) the registrant is deemed to retain physical possession of the property, and the depositary is deemed not to have acquired physical possession of the property, throughout the period beginning at the particular time and ending at another time that is the earliest of

i. the time at which the depositary transfers physical possession of the property to the registrant,

ii. the time at which the registrant gives to the consignee sufficient documentation to enable the consignee to require the depositary to transfer physical possession of the property to the consignee,

iii. the time at which the registrant directs the depositary in writing to transfer physical possession of the property to the consignee,

iv. the time at which the depositary transfers physical possession of the property to the consignee, and

v. where the depositary is acquiring physical possession of the property for the purpose of storing the property, the time at which the depositary gives to the registrant a certificate that contains the information set out in subparagraph 4 of the first paragraph of section 327.2 in respect of the property,

(b) if the other time referred to in subparagraph *a* is described in any of subparagraphs ii to iv of subparagraph *a*,

i. the registrant is deemed to have caused physical possession of the property to be transferred to the consignee at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary,

ii. the consignee is deemed to have acquired physical possession of the property from the registrant for the purpose for which the consignee is acquiring physical possession of the property from the depositary, and

iii. that acquisition of physical possession of the property is deemed to have occurred at the other time and at the place where physical possession of the property is transferred to the consignee by the depositary, and

(c) if the other time referred to in subparagraph *a* is described in subparagraph *v* of subparagraph *a*,

i. the transfer of physical possession of the property by the registrant to the consignee, and the acquisition of physical possession of the property by the consignee from the registrant, are deemed to have occurred at the other time and not at the particular time, and

ii. the certificate referred to in that subparagraph *v* is deemed to be the certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that transfer and that acquisition.”

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

(3) In addition,

(1) where section 327.3 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if “in Québec” were inserted after “taxable supply” in subparagraph *c* of subparagraph 1 of the first paragraph;

(2) where section 327.4 of the Act applies

(a) in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read

i. without reference to “of subparagraph 3 of the first paragraph” in the portion before subparagraph 1 of the first paragraph;

ii. as if subparagraphs 1 and 2 of the first paragraph were replaced by the following subparagraphs:

“(1) where the particular registrant so retains physical possession of the property after that time,

(a) the particular registrant is deemed, under the agreement, to have caused, at that time, physical possession of the property to be transferred at a place in Québec to another person that is a registrant,

(b) the other person referred to in subparagraph *a* is deemed to have given to the particular registrant the certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of the transfer,

(c) if subparagraph 1 or 2 of the second paragraph applies, the particular registrant is deemed

i. except if subparagraph ii applies, to have acquired, at that time, under the agreement, physical possession of the property for the purpose of making a taxable supply in Québec to the non-resident person of a commercial service in respect of the property that is not a storage service, or

ii. if subparagraph 2 of the second paragraph applies and the supply referred to in that subparagraph 2 is to be made to the non-resident person or to a non-resident subsequent purchaser that is not a consumer of the commercial service referred to in that subparagraph 2, to have acquired, at that time, under the agreement for that supply, physical possession of the property for the purpose referred to in that subparagraph 2, and

(d) if subparagraph 3 of the second paragraph applies,

i. the particular registrant is deemed to have acquired physical possession of the property, as the recipient of the supply under the agreement referred to in that subparagraph 3, from another person that is a registrant and that made a taxable supply of the property in Québec by way of sale to a non-resident person,

ii. that acquisition of physical possession of the property is deemed to have occurred at the time when, and at the place where, under the agreement referred to in that subparagraph 3, the property is delivered or made available to the particular registrant, and

iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i the certificate described in subparagraph 3 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property; and

“(2) where another registrant so retains physical possession of the property after that time,

(a) if subparagraph 1 or 2 of the second paragraph applies, the particular registrant is deemed, under the agreement, to have caused, at that time, physical possession of the property to be transferred at a place in Québec to the other registrant and the other registrant is deemed

i. except if subparagraph ii applies, to have acquired, at that time, under an agreement entered into with the other registrant and the non-resident person, physical possession of the property for the purpose of making a taxable supply in Québec to the non-resident person of a commercial service in respect of the property that is not a storage service, or

ii. if subparagraph 2 of the second paragraph applies and the supply referred to in that subparagraph 2 is to be made to the non-resident person or to a non-resident subsequent purchaser that is not a consumer of the commercial service referred to in that subparagraph 2, to have acquired, at that time, physical possession of the property under the agreement for that supply for the purpose referred to in that subparagraph 2, and

(b) if subparagraph 3 of the second paragraph applies,

i. the particular registrant is deemed, under the agreement, to have caused physical possession of the property to be transferred to the other registrant,

ii. the other registrant is deemed to have acquired physical possession of the property from the particular registrant as the recipient of the supply under the agreement, and

iii. the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have so acquired physical possession of the property, at the time when, and at the place where, under the agreement, the property is delivered or made available to the registrant.”; and

iii. as if subparagraphs 1 and 2 of the second paragraph were replaced by the following subparagraphs:

“(1) transferring physical possession of the property to the non-resident person, a person (in this section referred to as a “subsequent purchaser”) that subsequently acquires ownership of the property or a person designated by the non-resident person or a subsequent purchaser;

“(2) making a taxable supply in Québec of a commercial service in respect of the property to the non-resident person or a subsequent purchaser; or”;

(b) in respect of a supply made before 23 July 2016 in respect of which, before that date, an amount was charged, collected or remitted as or on account of tax under Title I of the Act, it is to be read as if the provisions in subparagraphs ii and iii of subparagraph *a* were taken into account; and

(3) where section 327.5 of the Act applies in respect of a supply made after 22 July 2016 and before 15 December 2017, it is to be read as if “of subparagraph 3 of the first paragraph” in the portion before subparagraph 1 of the first paragraph were struck out.

231. (1) Section 327.6 of the Act is amended by striking out “of subparagraph 3 of the first paragraph” in the portion before paragraph 1.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

232. (1) The Act is amended by inserting the following sections after section 327.6:

“**327.6.1.** For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”)

(a) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person, and

(b) is not deemed under subparagraph i of subparagraph b of paragraph 1 of section 327.6.2 or subparagraph b of paragraph 2 of section 327.6.2 to have acquired physical possession of the property as the recipient of the particular taxable supply;

(2) either

(a) immediately before the particular time at which the property is delivered or made available to the lessee under the agreement for the particular taxable supply, another registrant has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, or

(b) the following conditions are met:

i. subparagraph a does not apply,

ii. another registrant has physical possession of the property immediately after the particular time, and

iii. the lessee did not have possession or use of the property immediately before the particular time as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(3) it is not the case that a person that is a registrant acquired physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person and continues to retain physical possession of the property until a time that is after the particular time.

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

- (1) the other registrant referred to in subparagraph *a* or *b* of subparagraph 2 of the first paragraph, as the case may be, is deemed to have transferred physical possession of the property to the lessee at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply;
- (2) the lessee is deemed to have acquired physical possession of the property from the other registrant as the recipient of the particular taxable supply; and
- (3) that acquisition of physical possession of the property is deemed to have occurred at the particular time and at the place where the property is delivered or made available to the lessee under the agreement for the particular taxable supply.

“327.6.2. Where a particular registrant makes a particular taxable supply in Québec of corporeal movable property by way of sale to a particular non-resident person that is not a consumer of the property and where at the particular time at which the property is delivered or made available to the particular non-resident person under the agreement for the particular taxable supply, the particular registrant or another registrant is, or is intended to be, the recipient of another supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person, the following rules apply:

- (1) where the particular registrant is, or is intended to be, at the particular time the recipient of the other supply,
 - (a) for the purposes of this Title, the particular taxable supply is deemed to have been made outside Québec, and
 - (b) for the purposes of this division and of section 18,
 - i. the particular registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from another person that is a registrant,
 - ii. that acquisition of physical possession of the property is deemed to have occurred at the time when, and at the place where, the property is delivered or made available to the particular registrant under the agreement for the other supply, and
 - iii. the particular registrant is deemed to have given to the other person referred to in subparagraph i a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of that acquisition of physical possession of the property; and

(2) where another registrant is, or is intended to be, at the particular time the recipient of the other supply, for the purposes of this division and of section 18,

(a) the particular registrant is deemed to have caused physical possession of the property to be transferred to the other registrant,

(b) the other registrant is deemed to have acquired physical possession of the property, as the recipient of the other supply, from the particular registrant, and

(c) the particular registrant is deemed to have caused that transfer, and the other registrant is deemed to have acquired physical possession of the property, at the time when, and at the place where, the property is delivered or made available to the other registrant under the agreement for the other supply.

“327.6.3. For the purposes of this division and of section 18, where a registrant (in this section referred to as the “lessee”) acquires—as the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person—physical possession of the property at a particular time and either of the conditions of the second paragraph applies, the lessee is deemed to retain physical possession of the property at all times throughout the period that begins at the particular time and ends at the earliest of

(1) the time at which the lessee causes physical possession of the property to be transferred to another registrant that

(a) is acquiring physical possession of the property for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person, and

(b) retains physical possession of the property during a part of the period during which possession or use of the property is provided to the lessee under the arrangement;

(2) the time at which the lessee causes physical possession of the property to be transferred to the particular non-resident person or to another non-resident person; and

(3) the time at which the lessee causes physical possession of the property to be transferred to a person that is not referred to in subparagraphs 1 and 2, if that time is not included in

(a) the period during which possession or use of the property is provided to the lessee under the arrangement, or

(b) another period during which the lessee has possession or use of the property as the recipient of another taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

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

(1) the lessee gives a certificate described in subparagraph 4 of the first paragraph of section 327.2 in respect of the acquisition of physical possession of the property; and

(2) the lessee claims an input tax refund in respect of tax that is deemed to have been paid by the registrant under subparagraph 1 of the first paragraph of section 327.7 in respect of the property.

“327.6.4. For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) another registrant acquires physical possession of the property at a particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person; and

(3) the other registrant retains physical possession of the property during a part of the particular period during which possession or use of the property is provided to the lessee under the arrangement.

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

(1) where a third person other than the lessee causes physical possession of the property to be transferred to the other registrant at the particular time, where the particular time is during the particular period and where the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(a) the third person is deemed not to have caused that transfer of physical possession of the property, and

(b) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the other registrant at the place where the other registrant acquires physical possession of the property; and

(2) where the other registrant causes, at a later time that is after the particular time but during the particular period, physical possession of the property to be transferred at a particular place to a third person other than the lessee and the third person is not a registrant that acquires and retains physical possession of the property in the circumstances described in subparagraphs 2 and 3 of the first paragraph,

(a) the other registrant is deemed to have caused, at the later time, physical possession of the property to be transferred to the lessee at the particular place,

(b) the lessee is deemed to have acquired physical possession of the property as the recipient of the particular taxable supply at the later time and at the place where the property is delivered or made available to the lessee under the arrangement, and

(c) the other registrant is deemed not to have caused physical possession of the property to be transferred to the third person, and the third person is deemed not to have acquired physical possession of the property.

“327.6.5. For the purposes of this division and of section 18, the rules set out in the second paragraph apply if

(1) a registrant (in this section referred to as the “lessee”) is the recipient of a particular taxable supply of corporeal movable property made by way of lease, licence or similar arrangement by a particular non-resident person;

(2) a particular person other than the lessee has physical possession of the property immediately after the particular time that is at the end of the period during which possession or use of the property is provided to the lessee under the arrangement;

(3) where the particular person is a registrant, the particular person did not acquire physical possession of the property before the particular time for the purpose of making a taxable supply in Québec of a commercial service in respect of the property to the particular non-resident person or to another non-resident person;

(4) the lessee does not retain possession or use of the property after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person; and

(5) another registrant does not have possession or use of the property immediately after the particular time as the recipient of a taxable supply of the property made by way of lease, licence or similar arrangement by the particular non-resident person or by another non-resident person.

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

(1) the lessee is deemed to have caused, at the particular time, physical possession of the property to be transferred to the particular person at the place where the particular person has physical possession of the property immediately after the particular time;

(2) where the particular person is a registrant and has physical possession of the property immediately after the particular time as the recipient of a supply referred to in subparagraph *a* of subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property as the recipient of that supply; and

(3) where the particular person is a registrant and has physical possession of the property immediately after the particular time for the purpose of making a supply referred to in any of subparagraphs *b* to *d* of subparagraph 3 of the first paragraph of section 327.2, the particular person is deemed to have acquired, at the particular time and at the place referred to in subparagraph 1, physical possession of the property for that purpose.”

(2) Subsection 1 applies in respect of a supply made after 14 December 2017.

233. (1) Section 327.7 of the Act is amended

(1) by inserting “(other than property of a person that is resident in Québec)” after “physical possession of corporeal movable property” in the portion before subparagraph 1 of the first paragraph;

(2) by inserting “in Québec” after “for the purpose of making a taxable supply” in subparagraph 2 of the second paragraph.

(2) Subsection 1 applies in respect of a supply made after 22 July 2016.

234. (1) Section 400 of the Act is amended by adding the following paragraph at the end:

“(5) the amount paid is in respect of a supply of an emission allowance, unless the person paid the amount to the Minister or unless prescribed circumstances exist or prescribed conditions are met.”

(2) Subsection 1 has effect from 27 June 2018. However, it does not apply in respect of an amount that was, before that day, paid as or on account of, or taken into account as, tax, net tax, penalty, interest or other obligation under Title I of the Act.

235. (1) The Act is amended by inserting the following section after section 423:

“**423.1.** A supplier (other than a prescribed supplier) that makes a taxable supply of an emission allowance is not required to collect tax under section 16 payable by the recipient in respect of the supply.”

(2) Subsection 1 has effect from 27 June 2018. It also applies in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax under section 16 of the Act that is payable in respect of the supply was not collected before that day, in which case section 423.1 of the Act is to be read as follows in respect of the supply:

“423.1. A supplier (other than a prescribed supplier) that makes a taxable supply of an emission allowance is not required to collect an amount of tax under section 16 that is payable by the recipient in respect of the supply and that was not collected before 27 June 2018.”

236. (1) Section 438 of the Act is amended

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

“438. Where tax under section 16 is payable by a person in respect of a supply of a property that is an immovable or an emission allowance and the supplier is not required to collect the tax and is not deemed to have collected the tax,”;

(2) by replacing “produire” in paragraph 2 in the French text by “présenter”.

(2) Paragraph 1 of subsection 1 has effect from 27 June 2018. It also applies in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax under section 16 of the Act that is payable in respect of the supply was not collected before that day, in which case section 438 of the Act is to be read as follows in respect of the supply:

“438. Where a supply of an emission allowance is made to a person, the following rules apply in respect of the tax under section 16 that is payable in respect of the supply and that was not collected before 27 June 2018 (in this section referred to as the “uncollected tax”):

(1) to the extent that the uncollected tax became payable before 27 June 2018,

(a) if the person is a registrant and acquired the emission allowance for use or supply primarily in the course of commercial activities of the person, the person shall, on or before the day on which the person’s return for the reporting period that includes 27 June 2018 is required to be filed, pay the uncollected tax to the Minister and report the uncollected tax in that return, and

(b) in any other case, the person shall, on or before 31 July 2018, pay the uncollected tax to the Minister and file with the Minister in the manner determined by the Minister a return in respect of the uncollected tax in prescribed form containing prescribed information; and

(2) to the extent that the uncollected tax became payable after 26 June 2018,

(a) if the person is a registrant and acquired the emission allowance for use or supply primarily in the course of commercial activities of the person, the person shall, on or before the day on which the person's return for the reporting period in which the uncollected tax became payable is required to be filed, pay the uncollected tax to the Minister and report the uncollected tax in that return, and

(b) in any other case, the person shall, on or before the last day of the month following the calendar month in which the uncollected tax became payable, pay the uncollected tax to the Minister and file with the Minister in the manner determined by the Minister a return in respect of the uncollected tax in prescribed form containing prescribed information."

237. (1) The Act is amended by inserting the following section after section 477.6:

"477.6.1. A supplier to whom the first paragraph of section 477.6 applies and a person to whom the third paragraph of that section applies are not required to collect the tax payable by a specified Québec consumer under section 16 in respect of a taxable supply of an emission allowance."

(2) Subsection 1 has effect from 1 January 2019.

238. (1) Section 677 of the Act, amended by section 567 of chapter 14 of the statutes of 2019, is again amended, in the first paragraph,

(1) by inserting the following subparagraph after subparagraph 3.1:

"(3.2) determine, for the purposes of the definition of "emission allowance" in section 1, the prescribed allowances, the prescribed credits, the prescribed instruments, the prescribed schemes and the prescribed arrangements for the purposes of its paragraph 1 and which property is prescribed property for the purposes of its paragraph 2;"

(2) by replacing subparagraph 5 by the following subparagraph:

"(5) determine, for the purposes of section 18, which supplies are prescribed supplies for the purposes of its paragraphs 1, 2, 3, 3.1 and 4;"

(3) by inserting the following subparagraph after subparagraph 41.0.1:

"(41.0.2) determine, for the purposes of section 400, the prescribed circumstances and the prescribed conditions;"

(4) by inserting the following subparagraph after subparagraph 43:

"(43.1) determine, for the purposes of section 423.1, the prescribed suppliers;"

(2) Paragraphs 1 and 4 of subsection 1 have effect from 27 June 2018. They also apply in respect of a supply of an emission allowance made before 27 June 2018 if an amount of tax payable under section 16 of the Act in respect of the supply was not collected before that date.

(3) Paragraph 2 of subsection 1 applies in respect of a supply made after 22 July 2016.

(4) Paragraph 3 of subsection 1 has effect from 27 June 2018. However, it does not apply in respect of an amount that was, before that day, paid as or on account of, or taken into account as, tax, net tax, penalty, interest or other obligation under Title I of the Act.

ACT RESPECTING REMUNERATED PASSENGER TRANSPORTATION BY AUTOMOBILE

239. (1) Section 37 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2) is amended by replacing “Minister of Finance” in the first paragraph by “Minister of Revenue”.

(2) Subsection 1 has effect from 10 October 2020.

240. (1) Section 38 of the Act is amended by replacing “Minister of Finance” in subparagraph 1 of the second paragraph by “Minister of Revenue”.

(2) Subsection 1 has effect from 10 October 2020.

REGULATION RESPECTING THE TAXATION ACT

241. (1) Section 92.11R1.1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is amended by replacing “subparagraph *f*” in the portion of the fifth paragraph before subparagraph *a* by “subparagraph *c*”.

(2) Subsection 1 has effect from 16 December 2014.

242. (1) Section 92.19R3 of the Regulation is amended, in the first paragraph,

(1) by replacing the portion of subparagraph *a* before subparagraph *i* by the following:

“(a) in the case of a life insurance policy issued before 1 January 2017, a separate exemption test policy is deemed, subject to section 92.19R6.1, to have been issued in respect of the life insurance policy”;

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

“ii. on each policy anniversary of the life insurance policy on which the amount of the death benefit under the life insurance policy exceeds 108% of the amount of the death benefit under the life insurance policy on the later of the life insurance policy’s date of issue and the date of the life insurance policy’s preceding policy anniversary, if any; and”;

(3) by replacing the portion of subparagraph *b* before subparagraph 1 of subparagraph i by the following:

“(b) in the case of a life insurance policy issued after 31 December 2016, a separate exemption test policy is deemed, subject to section 92.19R6.1, to be issued in respect of each coverage under the life insurance policy

“i. on any of the following dates:”;

(4) by replacing subparagraph ii of subparagraph *b* by the following subparagraph:

“ii. on each policy anniversary of the life insurance policy on which the amount of the death benefit under the coverage on that policy anniversary exceeds 108% of the amount of the death benefit under the coverage, on the later of the coverage’s date of issue and the date of the life insurance policy’s preceding policy anniversary (or, if there is no preceding policy anniversary, the coverage’s date of issue), and”;

(5) by replacing the portion of subparagraph iii of subparagraph *b* before the formula by the following:

“iii. on each policy anniversary of the life insurance policy—except to the extent that another exemption test policy has been issued on that date under this subparagraph iii in respect of a coverage under the life insurance policy—on which an excess amount is determined by the formula”.

(2) Subsection 1 has effect from 14 December 2017.

243. (1) Section 92.19R4 of the Regulation is amended by replacing the portion before subparagraph *a* of the first paragraph by the following:

“**92.19R4.** For the purpose of determining whether the condition in subparagraph *a* of the first paragraph of section 92.19R1 is met on a policy anniversary of a life insurance policy, each exemption test policy issued in respect of the life insurance policy, or in respect of a coverage under the life insurance policy, is deemed”.

(2) Subsection 1 has effect from 14 December 2017.

244. (1) Section 92.19R5 of the Regulation is amended by replacing the portion before paragraph *a* by the following:

“**92.19R5.** The following rules apply for the purpose of determining the amount of a death benefit under an exemption test policy issued in respect of”.

(2) Subsection 1 has effect from 14 December 2017.

245. (1) Section 92.19R6 of the Regulation is amended by replacing paragraph *b* by the following paragraph:

“(b) the accumulating fund (computed without regard to any amount payable in respect of a policy loan) in respect of the policy at that time exceeds 250% of

i. in the case where the particular time at which the policy is issued is determined under section 967.1 of the Act and the policy’s third preceding policy anniversary is before the particular time, the accumulating fund (computed without regard to any amount payable in respect of a policy loan and as though the policy were issued after 31 December 2016) in respect of the policy on that third preceding policy anniversary, or

ii. in any other case, the accumulating fund (computed without regard to any amount payable in respect of a policy loan) in respect of the policy on its third preceding policy anniversary; and”.

(2) Subsection 1 has effect from 14 December 2017.

246. (1) Section 92.19R6.1 of the Regulation is amended by replacing paragraph *b* by the following paragraph:

“(b) the date on which it was deemed under section 92.19R3 or 92.19R6.4 to be issued (determined immediately before the particular time).”

(2) Subsection 1 has effect from 14 December 2017.

247. (1) Section 92.19R6.4 of the Regulation is replaced by the following section:

“**92.19R6.4.** Despite sections 92.19R3 and 92.19R4, where a life insurance policy is issued for any purpose at a particular time determined under section 967.1 of the Act, for the purposes of this division (other than this section and section 92.19R6.3) and Division II in respect of the life insurance policy, the following rules apply at and after the particular time:

(a) in respect of each coverage issued before the particular time under the life insurance policy, a separate exemption test policy is deemed to be issued in respect of a coverage under the life insurance policy

i. on the date of issue of the life insurance policy, and

ii. on each policy anniversary that ends before the particular time and on which the amount of the death benefit under the life insurance policy exceeds 108% of the amount of the death benefit under the life insurance policy on the later of the life insurance policy's date of issue and the date of the life insurance policy's preceding policy anniversary, if any;

(b) in respect of each coverage issued before the particular time under the life insurance policy, section 92.19R3 does not apply to deem an exemption test policy to be issued in respect of the policy, or in respect of a coverage under the policy, at any time before the particular time;

(c) in respect of each exemption test policy the date of issue of which is determined under subparagraph i of paragraph *a*, subparagraph iii of subparagraph *a* of the first paragraph of section 92.19R4 and paragraph *b* of section 92.19R5 are to be read as if "subparagraph i of subparagraph *b* of the first paragraph of section 92.19R3" were replaced by "subparagraph i of paragraph *a* of section 92.19R6.4";

(d) in respect of each exemption test policy the date of issue of which is determined under subparagraph ii of paragraph *a*, subparagraph iv of subparagraph *a* of the first paragraph of section 92.19R4 is to be read as follows:

"iv. if the date on which the exemption test policy is issued is determined under subparagraph ii of paragraph *a* of section 92.19R6.4 at a time before a particular time, the portion of the amount that would be determined, at the time immediately before the particular time, under subparagraph ii if the exemption test policy were issued in respect of the policy on the same date as the date determined for it under subparagraph ii of paragraph *a* of section 92.19R6.4 that can be reasonably allocated to the coverage in the circumstances (an allocation being considered not to be reasonable if the total of the amounts determined under subparagraphs *a* and *b* of the second paragraph is less than the amount determined under subparagraph *c* of that paragraph in respect of the exemption test policy the date of issue of which is determined under subparagraph i of paragraph *a* of section 92.19R6.4 in respect of the coverage), or"; and

(e) section 92.19R5 is to be read as if "at a particular time" in the portion of paragraph *b* before subparagraph i were replaced by "at a time that is at or after the particular time referred to in section 92.19R6.4 in respect of the life insurance policy".

(2) Subsection 1 has effect from 14 December 2017.

248. (1) Section 251R1 of the Regulation is replaced by the following section:

“251R1. For the purposes of section 251 of the Act, proceeds of disposition of a property do not include an amount deemed to be a dividend paid to a taxpayer or, if the taxpayer is a partnership, to a member of the partnership, under subsection 1.1 of section 212.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or subsection 2 of section 212.2 of that Act.”

(2) Subsection 1 applies in respect of a disposition that occurs after 21 March 2016. However, where section 251R1 of the Regulation applies in respect of a disposition that occurs before 27 February 2018, it is to be read without reference to “to a taxpayer or, if the taxpayer is a partnership, to a member of the partnership,”.

249. (1) Section 976.1R1 of the Regulation is amended by replacing “subparagraph *f*” in subparagraph ii of subparagraph *f* of the second paragraph by “subparagraph *c*”.

(2) Subsection 1 has effect from 16 December 2014.

250. (1) Section 1086R5 of the Regulation is amended by replacing subparagraph ii of paragraph *b* by the following subparagraph:

“ii. money on loan or on deposit or property of any kind deposited or placed with a corporation, association, organization, institution, partnership or trust,”.

(2) Subsection 1 applies from the taxation year 2018.

251. Section 1086R78 of the Regulation is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:

“(b) the name, address and, as the case may be, the Social Insurance Number or trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), of each member of the partnership who is entitled to a share referred to in subparagraph *c* or *d* for the fiscal period;”.

TRANSITIONAL AND FINAL PROVISIONS

252. For the purposes of the Act respecting parental insurance (chapter A-29.011), the Mining Tax Act (chapter I-0.4), the Act respecting the legal publicity of enterprises (chapter P-44.1), the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) and the Act respecting the Québec Pension Plan (chapter R-9), the following dates are deferred to 30 September 2020:

(1) the date of 30 April 2020 on or before which an amount would otherwise have been required to be paid by a natural person as a premium under Chapter IV of the Act respecting parental insurance as a self-employed worker or a person responsible for an intermediate resource or a family-type resource, as a contribution under subdivision 3 of Division I of Chapter IV of the Act respecting the Régie de l'assurance maladie du Québec or Division I.1 of that Chapter IV, as a contribution under Title III of the Act respecting the Québec Pension Plan in respect of self-employed earnings or earnings as an intermediate resource or a family-type resource, or as an annual registration fee for registration in the enterprise register under Division II of Chapter V of the Act respecting the legal publicity of enterprises; and

(2) the date, included in the period that begins on 17 March 2020 and ends on 29 September 2020, on or before which an amount would otherwise have been required to be paid by an operator under Division III of Chapter VI of the Mining Tax Act, or on or before which an annual registration fee for registration in the enterprise register under Division II of Chapter V of the Act respecting the legal publicity of enterprises would otherwise have been required to be paid by a corporation, a trust or a SIFT entity, within the meaning assigned to those expressions by the Taxation Act (chapter I-3).

For the purposes of the Taxation Act, the following rules apply:

(1) the filing-due date for the fiscal return of an individual, other than a trust, for the taxation year 2019 that would otherwise have been 30 April 2020 is deferred to 1 June 2020;

(2) the filing-due date for the fiscal return of a trust, other than a SIFT trust, for the taxation year 2019 that would otherwise have been 30 March 2020 is deferred to 1 May 2020; and

(3) the following dates are deferred to 30 September 2020:

(a) the balance-due day of an individual, other than a trust, for the taxation year 2019 that would otherwise have been 30 April 2020,

(b) the balance-due day of a trust, that of a corporation and that of a SIFT partnership, that would otherwise have been after 16 March 2020 and before 30 September 2020,

(c) the dates of 15 June 2020 and 15 September 2020 on or before which a payment would otherwise have been required to be made by an individual under section 1026 of the Taxation Act,

(d) the date included in the period that begins on 17 March 2020 and ends on 29 September 2020 on or before which a payment would otherwise have been required to be made by a corporation or a SIFT trust under section 1027 of the Taxation Act or by a SIFT partnership under section 1129.75 of that Act, where that section 1129.75 refers to that section 1027, and

(e) the date included in the period that begins on 17 March 2020 and ends on 29 September 2020 on or before which an amount would otherwise have been required to be paid by a taxpayer under Part VII of the Taxation Act.

Where a taxpayer's balance-due day for a taxation year that is determined in accordance with subparagraph *a* or *b* of subparagraph 3 of the second paragraph is subsequent to the taxpayer's filing-due date for the year, the first paragraph of section 1045 of the Taxation Act is to be read as follows, in respect of the taxpayer for that taxation year:

“Every person who fails to file, for a taxation year, a fiscal return under section 1000 in the prescribed form and within the prescribed time incurs a penalty equal to 5% of the tax unpaid on the taxpayer's balance-due day for the taxation year and an additional penalty of 1% of that unpaid tax for each complete month, not exceeding 12 months, in the period that begins on that balance-due day and ends at the time the fiscal return is actually filed.”

253. For the purposes of the Act respecting the Québec sales tax (chapter T-0.1), the following rules apply:

(1) the date, included in the period that begins on 27 March 2020 and ends on 1 June 2020, on or before which the remittance of the net tax, the designated net tax or a provisional account would otherwise have been required to be made by a person in accordance with Chapter VIII or VIII.1 of Title I of the Act respecting the Québec sales tax, as the case may be, is deferred to 30 June 2020; and

(2) the deadline for filing a return under Chapter III of Title IV.2 of the Act respecting the Québec sales tax and remitting the related tax payable that would otherwise have been 30 April 2020 is deferred to 31 July 2020.

254. This Act comes into force on 2 June 2021.

