

Bill 42

**An Act to give effect to fiscal measures
announced in the Budget Speech
delivered on 21 March 2019 and to
various other measures**

Section 37

AMENDMENT:

1. Replace subparagraphs *i* and *ii* of subparagraph *b* of the second paragraph of proposed section 156.7.4 by:

i. where the taxation year includes the time at which the property is considered to have become available for use, within the meaning of section 93.7, either of the following amounts:

(1) if the property is acquired after 20 November 2018, the amount attributable to the property that is added to the undepreciated capital cost of the prescribed class that includes the property, determined for the purpose of computing the amount that is deductible by the taxpayer in computing the taxpayer's income for the year under paragraph *a* of section 130, or

(2) in any other case, one half of the capital cost of the property at the end of the year,

ii. where the taxation year is the particular year that follows the year referred to in subparagraph *i*, the amount by which the capital cost of the property at the end of the particular year exceeds the portion of the amount deducted by the taxpayer in computing the taxpayer's income for the preceding year under paragraph *a* of section 130 that is attributable to the property, or

2. Replace subparagraph *c* of the second paragraph of proposed section 156.7.4 by:

(*c*) *C* is the undepreciated capital cost at the end of the year of property of the prescribed class that includes the property, determined for the purpose of computing the amount that is deductible by the taxpayer in computing the taxpayer's income for the year under paragraph *a* of section 130 before any deduction under that paragraph *a* for the year.

3. Replace “cost of acquiring the property” by “capital cost of the property at the end of the particular year” in the following provisions of proposed section 156.7.5:

- subparagraphs i and ii of subparagraph *a* of the first paragraph;
- subparagraphs *a* and *b* of the second paragraph.

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Section 4

AMENDMENT:

Replace by:

4. (1) Section 69.5.3 of the Act is replaced by the following section:

“69.5.3. The Autorité des marchés publics may, without the consent of the person concerned, record in the register of enterprises ineligible for public contracts that it keeps under section 21.6 of the Act respecting contracting by public bodies (chapter C-65.1) information obtained under subparagraph z.3 of the second paragraph of section 69.1 to the extent that the information concerns a penalty imposed on the person under any of sections 1079.13.1, 1079.13.2, 1082.0.2 and 1082.0.3 of the Taxation Act (chapter I-3).”

- (2) Subsection 1 has effect from 17 May 2019. However, where section 69.5.3 of the Act applies before 21 February 2020, it is to be read as if “any of sections 1079.13.1, 1079.13.2, 1082.0.2 and 1082.0.3” were replaced by “section 1082.0.2 or 1082.0.3”.

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Section 10

AMENDMENT:

Replace by:

10. (1) Section 21.1.1 of the Act respecting contracting by public bodies (chapter C-65.1) is replaced by the following section:

“21.1.1. For the purposes of this chapter, an enterprise is deemed to have been found guilty, by a final judgment, of an offence listed in Schedule I if a penalty has been imposed on the enterprise under any of sections 1079.13.1, 1079.13.2, 1082.0.2 and 1082.0.3 of the Taxation Act (chapter I-3), in connection with an assessment regarding which any time limit for objecting has expired or, if the enterprise has validly objected to the assessment or appealed from it to a court of competent jurisdiction, the objection or the appeal, as applicable, has been finally settled.

Likewise, a person who is an associate of an enterprise within the meaning of section 21.2 is deemed to have been found guilty, by a final judgment, of an offence listed in Schedule I if a penalty has been imposed on the person under any of sections 1079.13.1, 1079.13.2, 1082.0.2 and 1082.0.3 of the Taxation Act, in connection with an assessment regarding which any time limit for objecting has expired or, if the person has validly objected to the assessment or appealed from it to a court of competent jurisdiction, the objection or the appeal, as applicable, has been finally settled.

In such cases, the provisions of this Act apply, with the necessary modifications.”

(2) Subsection 1 has effect from 17 May 2019. However, where section 21.1.1 of the Act refers to a penalty imposed under section 1079.13.1 or 1079.13.2 of the Taxation Act, it applies only in respect of the assessment of such a penalty that results from an audit or investigation by the Agence du revenu du Québec or

the Canada Revenue Agency that began after 20 April 2020, in respect of an avoidance transaction within the meaning of section 1079.11 of the Taxation Act.

(3) For the purposes of subsection 2, the start date of an audit or investigation of a person, general partnership, limited partnership or undeclared partnership, in respect of an avoidance transaction, means the day the person, one of the person's shareholders, officers or directors or one of the partnership's associates or officers may reasonably be considered to have known or ought to have known that the Agence du revenu du Québec or the Canada Revenue Agency was about to undertake or had begun an audit or investigation regarding the avoidance transaction.

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Section 11

AMENDMENT:

Replace by:

11. (1) Section 21.26.1 of the Act is replaced by the following section:

“**21.26.1.** For the purposes of this chapter and despite section 21.29, an enterprise, person or entity is deemed to have been found guilty of an offence listed in Schedule I if a penalty has been imposed on the enterprise, person or entity under any of sections 1079.13.1, 1079.13.2, 1082.0.2 and 1082.0.3 of the Taxation Act (chapter I-3), in connection with an assessment regarding which any time limit for objecting has expired or, if the enterprise, person or entity has validly objected to the assessment or appealed from it to a court of competent jurisdiction, the objection or the appeal, as applicable, has been finally settled.

In such cases, the provisions of this Act apply, with the necessary modifications.”

(2) Subsection 1 has effect from 17 May 2019. However, where section 21.26.1 of the Act refers to a penalty imposed under section 1079.13.1 or 1079.13.2 of the Taxation Act, it applies only in respect of the assessment of such a penalty that results from an audit or investigation by the Agence du revenu du Québec or the Canada Revenue Agency that began after 20 April 2020, in respect of an avoidance transaction within the meaning of section 1079.11 of the Taxation Act.

(3) For the purposes of subsection 2, the start date of an audit or investigation of a person, general partnership, limited partnership or undeclared partnership, in respect of an avoidance transaction, means the day the person, one of the person's shareholders, officers or directors or one of the partnership's associates or officers may reasonably be considered to have known or ought to have known that the Agence du revenu du Québec or the Canada Revenue Agency was about to undertake or had begun an audit or investigation regarding the avoidance transaction.

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Section 165

AMENDMENT:

Replace paragraph 2 by:

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

“For the purposes of this Book, in relation to a transaction determined by the Minister under the definition of “specified transaction” in the first paragraph, the Minister also determines and publishes in the *Gazette officielle du Québec* which taxpayers will be required to disclose a specified transaction in accordance with section 1079.8.6.2 and which will be the partnerships whose members will be subject to that obligation, if applicable, as well as the day from which the obligation to disclose specified transactions will apply.

The obligations provided for in this Book apply in respect of a specified transaction only if the carrying out of the specified transaction begins after the date of publication in the *Gazette officielle du Québec* of the transaction determined by the Minister to which the specified transaction relates; in that respect, section 1.5 does not apply for the purpose of determining the date on which a specified transaction begins to be carried out.”

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Section 166

AMENDMENT:

Insert after the first paragraph of proposed section 1079.8.6.2:

The first paragraph applies to a taxpayer who carries out the specified transaction or who is a member of a partnership that carries out the transaction only if the taxpayer is, in accordance with the Minister's determination under the fourth paragraph of section 1079.8.1, subject to the obligation to disclose the transaction.

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Section 166.1

AMENDMENT:

Insert after section 166:

166.1. (1) Section 1079.8.7.1 of the Act is amended by replacing “1079.8.5 to 1079.8.7” in the first paragraph by “1079.8.5 to 1079.8.6.2 and 1079.8.7”.

(2) Subsection 1 has effect from 18 September 2019. However, where section 1079.8.7.1 of the Act applies before (*insert the date of assent to this Act*), it is to be read as if “1079.8.6.2” in the first paragraph were replaced by “1079.8.6.1”.

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Section 167

AMENDMENT:

1. Replace “and 1079.8.7” in the proposed portion of the first paragraph of section 1079.8.9 before subparagraph *a* by “, 1079.8.7 and 1079.8.7.1”.

2. Replace subsection 2 by:

(2) Paragraph 1 of subsection 1 has effect from 17 May 2019. However, where section 1079.8.9 of the Act applies

(1) before 18 September 2019, it is to be read as if “, 1079.8.7 and 1079.8.7.1” in the portion of the first paragraph before subparagraph *a* were replaced by “and 1079.8.7”; and

(2) before (*insert the date of assent to this Act*), it is to be read as if “1079.8.6.2” in the portion of the first paragraph before subparagraph *a* were replaced by “1079.8.6.1”.

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Section 169

AMENDMENT:

Replace paragraph *a* of proposed section 1079.8.10.1 by:

(*a*) the 60th day after the day determined by the Minister, under the fourth paragraph of section 1079.8.1, from which the obligation to disclose the specified transaction applies; and

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Section 170

AMENDMENT:

1. Replace “and 1079.8.7” in proposed section 1079.8.11 by “, 1079.8.7 and 1079.8.7.1”.
2. Replace subsection 2 by:
 - (2) Subsection 1 has effect from 17 May 2019. However, where section 1079.8.11 of the Act applies
 - (1) before 18 September 2019, it is to be read as if “, 1079.8.7 and 1079.8.7.1” were replaced by “and 1079.8.7”; and
 - (2) before (*insert the date of assent to this Act*), it is to be read as if “1079.8.6.3” were replaced by “1079.8.6.1”.

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Section 176

AMENDMENT:

1. Replace the portion of subsection 1 before the proposed second paragraph of section 1079.13.1 by:

(1) Section 1079.13.1 of the Act is amended by replacing the second paragraph by the following paragraph:

2. Replace “and 1079.8.7” in the proposed second paragraph of section 1079.13.1 by “, 1079.8.7 and 1079.8.7.1”.

3. Replace subsection 2 by:

(2) Subsection 1 has effect from 17 May 2019. However, where section 1079.13.1 of the Act applies

(1) before 18 September 2019, it is to be read as if “, 1079.8.7 and 1079.8.7.1” in the second paragraph were replaced by “and 1079.8.7”; and

(2) before (*insert the date of assent to this Act*), it is to be read as if “1079.8.6.2” in the second paragraph were replaced by “1079.8.6.1”.

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Section 176.1

AMENDMENT:

Insert after section 176:

176.1. (1) Section 1079.15.1 of the Act is amended by replacing the portion before subparagraph *b* of the first paragraph by the following:

“1079.15.1. If section 1079.10 applies to a person in relation to a transaction and the person did not file an information return in accordance with any of sections 1079.8.5 to 1079.8.6.2 and 1079.8.7, in respect of the transaction or series of transactions that includes the transaction, the Minister may, despite the expiry of the time limit provided for, in respect of the person, in paragraph *a* or *a.0.1* of subsection 2 of section 1010, determine the tax consequences to the person, the interest and the penalties, under this Act, and make a reassessment or an additional assessment,

(*a*) on or before the day that is six years after the day referred to, for the taxation year concerned, in paragraph *a* of subsection 2 of section 1010 or, if the transaction or series of transactions must be disclosed as required by any of sections 1079.8.5 to 1079.8.6.2, the day, if it is later, on which the information return containing the information required by section 1079.8.9 is sent to the Minister in respect of the transaction or series of transactions; or”.

(2) Subsection 1 has effect from 17 May 2019. However, where section 1079.15.1 of the Act applies before (*insert the date of assent to this Act*), it is to be read as if “1079.8.6.2” were replaced wherever it appears by “1079.8.6.1”.

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Section 176.2

AMENDMENT:

Insert after section 176.1:

176.2. Section 1079.15.1.1 of the Act is amended by replacing “1079.8.6.1” and “the taxpayer” in the first paragraph by “1079.8.6.2” and “the person”, respectively.

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Section 155

AMENDMENT:

Replace by:

155. (1) Section 1029.8.61.18 of the Act is amended

(1) by replacing “\$195” in subparagraph *b* of the second paragraph by “\$198”;

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

“(c) I is an amount (in this division referred to as the “supplement for handicapped children requiring exceptional care”) equal to the aggregate of

i. the amount (in this division and the regulations referred to as the “amount for the first level”) equal to the product obtained by multiplying \$995 by the number of eligible dependent children referred to in subparagraph *a* of the first paragraph of section 1029.8.61.19.1 in respect of whom the individual is, at the beginning of the particular month, an eligible individual, and

ii. the amount (in this division and the regulations referred to as the “amount for the second level”) equal to the product obtained by multiplying \$663 by the number of eligible dependent children referred to in subparagraph *b* of the first paragraph of section 1029.8.61.19.1, without being referred to in subparagraph *a* of that paragraph, in respect of whom the individual is, at the beginning of the particular month, an eligible individual; and”;

(3) by replacing “\$102” in subparagraph *i* of subparagraph *d* of the second paragraph by “\$104”;

(4) by replacing subparagraph *a* of the third paragraph by the following subparagraph:

“(a) C is an amount equal to the product obtained by multiplying \$2,515 by the number of eligible dependent children in respect of whom the individual is, at the beginning of the particular month, an eligible individual;”;

(5) by replacing “\$867” in subparagraph *b* of the third paragraph by “\$882”;

(6) by replacing subparagraph *e* of the third paragraph by the following subparagraph:

“(e) G is an amount equal to the product obtained by multiplying \$1,000 by the number of eligible dependent children in respect of whom the individual is, at the beginning of the particular month, an eligible individual; and”;

(7) by replacing “\$346” in subparagraph *f* of the third paragraph by “\$352”.

(2) Paragraphs 1 and 3 to 7 of subsection 1 apply from 1 January 2020.

(3) Paragraph 2 of subsection 1 has effect from 1 April 2019. However, where section 1029.8.61.18 of the Act applies before 1 January 2020, subparagraph *i* of subparagraph *c* of the second paragraph is to be read as if “\$995” were replaced by “\$978” and subparagraph *ii* of that subparagraph *c* is to be read as if “\$663” were replaced by “\$652”.

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Section 159

AMENDMENT:

Replace by:

159. (1) Section 1029.8.61.20 of the Act is amended

(1) by replacing “2019” in the portion before the formula in the first paragraph by “2020”;

(2) by replacing “\$195” in subparagraph *a* of the fourth paragraph by “\$198”;

(3) by replacing subparagraph *a.1* of the fourth paragraph by the following subparagraph:

“(a.1) the amounts of \$995 and \$663 mentioned in subparagraph *c* of the second paragraph of section 1029.8.61.18;”;

(4) by replacing “\$102” in subparagraph *a.2* of the fourth paragraph by “\$104”;

(5) by replacing subparagraph *b* of the fourth paragraph by the following subparagraph:

“(b) the amount of \$2,515 mentioned in subparagraph *a* of the third paragraph of section 1029.8.61.18;”;

(6) by replacing “\$867” in subparagraph *c* of the fourth paragraph by “\$882”;

(7) by replacing subparagraph *d* of the fourth paragraph by the following subparagraph:

“(d) the amount of \$1,000 mentioned in subparagraph *e* of the third paragraph of section 1029.8.61.18; and”;

(8) by replacing “\$346” in subparagraph *e* of the fourth paragraph by “\$352”.

(2) Subsection 1 applies from 1 January 2020.

Adapté
SPC