

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**

Section 64

**AMENDMENT:**

In subsection 1:

1. Strike out paragraph 2.
2. Replace paragraph 3 by:  
(2) by striking out the second, third, fourth and fifth paragraphs;
3. Renumber paragraph 4.

*Adopté  
SPU*

AM 2  
s. 65 (726.43.1)

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Section 65

**AMENDMENT:**

Strike out the second paragraph of proposed section 726.43.1 of the Taxation Act.

*Adopté  
SP*

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Section 75

**AMENDMENT:**

In proposed section 737.18.44 of the Taxation Act:

1. Replace the formula in the first paragraph by:

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

2. Replace the formula in subparagraph i of subparagraph *d* of the second paragraph by:

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

3. Replace the formula in subparagraph ii of subparagraph *d* of the second paragraph by:

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

4. Replace subparagraphs *e* and *f* of the second paragraph by:

(*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

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

5. Strike out subparagraph *g* of the second paragraph.

6. Replace subparagraphs *a* to *f* of the third paragraph by:

(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;

7. Add, at the end of the third paragraph:

(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%.

8. Insert, after the third paragraph:

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.

9. Replace the fourth paragraph by:

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.

Adopté  
SPN

AM 4  
s. 196 (1175.28.0.6, 1175.28.0.7)

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Section 196

**AMENDMENT:**

Replace “second paragraph” in subparagraph *b* of the first paragraph of proposed section 1175.28.0.6 and in paragraph *d* of proposed section 1175.28.0.7 by “third paragraph”.

*Adopté  
SG*

AM 5  
s. 149 (1029.8.36.166.60.43)

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Section 149

**AMENDMENT:**

Replace “in a taxation year” in proposed section 1029.8.36.166.60.43 by “in relation to a taxation year”.

*Adopté  
SP*

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Section 210

**AMENDMENT:**

In subsection 1:

1. Strike out “, in the first paragraph,” in the portion before paragraph 1.
2. Add “in the first paragraph” after “alphabetical order” in paragraphs 1 to 6.
3. Replace paragraph *k* of the definition of “specified period” in the first paragraph of section 33 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5), proposed by paragraph 5, by:

(*k*) the period that begins on 20 December 2020 and ends on 16 January 2021;

4. Add the following paragraphs at the end of the definition of “specified period” in the first paragraph of section 33 of the Act respecting the Régie de l’assurance maladie du Québec, proposed by paragraph 5:

(*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;”;



5. Add the following paragraph at the end:

(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;”.”

Adopté  
SP

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Section 250

**AMENDMENT:**

1. Strike out the first paragraph.
2. Replace “third paragraph” in the portion of the fourth paragraph before the first paragraph of section 1045 of the Taxation Act (chapter I-3), enacted by that fourth paragraph, by “second paragraph”.

*Adopté  
SPC*

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Section 4.1

**AMENDMENT:**

Insert after section 4:

**4.1.** (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.

*Adopte  
SP2*

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Section 90.1

**AMENDMENT:**

Insert after section 90:

**90.1.** 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.”

*Adopté  
SPR*

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Section 5

**AMENDMENT:**

1. Replace the portion before proposed paragraph *h.1* of section 58.1.1 of the Tax Administration Act by:
5. Section 58.1.1 of the Act is amended by inserting the following paragraph after paragraph *h*:
2. Strike out subsection 2.

*Adopté  
Spe*

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Section 6

**AMENDMENT:**

1. Replace the portion before the proposed third paragraph of section 59.0.3 of the Tax Administration Act by:
6. Section 59.0.3 of the Act is amended by replacing the third paragraph by the following paragraph:
2. Strike out subsection 2.

*Adopte  
SPR*

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Section 180

**AMENDMENT:**

1. Replace the portion before proposed paragraph *a* of section 1079.7 of the Taxation Act by:

**180.** Section 1079.7 of the Act is amended by replacing paragraph *a* by the following paragraph:

2. Strike out subsection 2.

*Adopte  
Spe*



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Section 249

**AMENDMENT:**

1. Replace the portion before proposed subparagraph *b* of the first paragraph of section 1086R78 of the Regulation respecting the Taxation Act by:  
  
**249.** Section 1086R78 of the Regulation is amended by replacing subparagraph *b* of the first paragraph by the following subparagraph:
2. Strike out subsection 2.

Adopté  
SPR