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# NATIONAL ASSEMBLY

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FIRST SESSION

FORTIETH LEGISLATURE

Bill 34

**An Act giving effect to the Budget  
Speech delivered on 20 November 2012  
and amending various legislative  
provisions**

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**Introduction**

**Introduced by  
Mr. Nicolas Marceau  
Minister of Finance and the Economy**

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## EXPLANATORY NOTES

*This bill amends various legislation to, among other things, give effect to measures announced in the Budget Speech delivered on 20 November 2012 and in Information Bulletins published in 2012.*

*The Act respecting parental insurance and the Act respecting the Québec Pension Plan are amended to set special rules for determining the pensionable earnings of family-type resources and certain intermediate resources.*

*The Act constituting Capital régional et coopératif Desjardins is amended to make changes to its investment requirement.*

*The Tobacco Tax Act is amended to increase the rates of the specific tax on tobacco products.*

*The Taxation Act is amended to introduce, amend or abolish fiscal measures specific to Québec. More specifically, the amendments deal with*

*(1) the addition of an income tax bracket for high-income individuals;*

*(2) the introduction of a tax credit for children's activities;*

*(3) the deferral of the gradual increase of the tax credit for experienced workers;*

*(4) the implementation of a new tax holiday for large investment projects;*

*(5) the enhancement of the tax credit for investments relating to manufacturing and processing equipment;*

*(6) the temporary increase in the rate of the tax credit for scientific research and experimental development in relation to biopharmaceutical activities; and*

*(7) the increase in the rates of the compensation tax and the extension of that tax, in respect of the temporary contribution of financial institutions.*

*In addition, the Act respecting the sectoral parameters of certain fiscal measures is amended to introduce, amend or abolish certain sectoral parameters that apply to fiscal measures covered by the Act. More specifically, the amendments deal with*

*(1) adjustments to the tax credit for the development of e-business; and*

*(2) the elimination of the tax holiday for a major investment project.*

*The Act respecting the Régie de l'assurance maladie du Québec is also amended to*

*(1) vary the health contribution on the basis of income;*

*(2) increase the amount of the exemptions used in computing the premium payable by a person subject to the public drug insurance plan; and*

*(3) introduce an exemption from payment of the employer contributions to the Health Services Fund in relation to the carrying out of a large investment project.*

*The Act respecting the Québec sales tax is also amended to increase the specific tax on alcoholic beverages and to make amendments similar to those made to the Excise Tax Act by Bill C-45 (Statutes of Canada, 2012, chapter 31), assented to on 14 December 2012. It thus gives effect to harmonization measures announced in Information Bulletin 2012-4 dated 31 May 2012. The amendments deal mainly with the extension of the time limit within which a selected listed financial institution may deduct the Québec sales tax in computing its net tax.*

*Lastly, the bill amends other legislation to make various technical amendments as well as consequential and terminology-related amendments.*

#### **LEGISLATION AMENDED BY THIS BILL:**

- Tax Administration Act (chapter A-6.002);

- Act respecting prearranged funeral services and sepultures (chapter A-23.001);
- Act respecting parental insurance (chapter A-29.011);
- Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1);
- Tobacco Tax Act (chapter I-2);
- Taxation Act (chapter I-3);
- Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2);
- 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).

## Bill 34

### AN ACT GIVING EFFECT TO THE BUDGET SPEECH DELIVERED ON 20 NOVEMBER 2012 AND AMENDING VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### TAX ADMINISTRATION ACT

**1.** Section 12.0.3 of the Tax Administration Act (chapter A-6.002) is amended by striking out “making an objection or” in the portion of the first paragraph before subparagraph *a*.

**2.** (1) Section 23 of the Act is amended

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

“For the purposes of the first paragraph, a person is deemed to be resident in Canada if the person is deemed to be resident in Québec by reason of paragraphs *b* to *g* of section 8 of the Taxation Act.”;

(2) by adding the following paragraph after the fourth paragraph:

“For the purposes of this section, the withholding a person is required to make because of section 37.21 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5) is deemed to be a withholding provided for in section 1015 of the Taxation Act.”

(2) Paragraph 2 of subsection 1 has effect from 1 January 2013.

**3.** (1) Section 24.0.3 of the Act is replaced by the following section:

**“24.0.3.** Where a person is vested with the power to authorize or cause a payment to be made for another person of an amount that is subject to deduction at source under section 1015 of the Taxation Act (chapter I-3) and the person authorizes or causes the amount to be paid, allocated, granted or awarded by or on behalf of the other person, the person is solidarily liable with the other person for any sum required to be deducted or withheld from that amount under the Taxation Act, the Act respecting the Québec Pension Plan (chapter R-9), the Act respecting parental insurance (chapter A-29.011) or the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5).”

(2) Subsection 1 has effect from 1 January 2013.

**4.** Section 59 of the Act is amended by inserting the following paragraph after the first paragraph:

“However, where a member of a partnership fails to file an information return in accordance with section 1086R78 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) as and when prescribed, the partnership incurs the penalty provided for in the first paragraph.”

**5.** Section 61 of the Act is amended by adding the following paragraph:

“For the purposes of the first paragraph, every person who fails to withhold or pay to the Minister an amount on account of the amount a person is required to pay for a year under section 37.17 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5) is deemed to have contravened section 1015 of the Taxation Act.”

#### ACT RESPECTING PREARRANGED FUNERAL SERVICES AND SEPULTURES

**6.** (1) Section 21 of the Act respecting prearranged funeral services and sepultures (chapter A-23.001) is replaced by the following section:

**“21.** The seller must deposit in trust, in Québec, with the depositary any amount received under a prearranged funeral services contract, within 45 days of receiving the amount.

A seller is not, however, required to deposit in trust

(1) an amount representing 10% or less of the amount received in respect of goods and services under the contract which have not been provided;

(2) the amount representing the amount received in respect of goods and services already provided.”

(2) Subsection 1 applies in respect of a prearranged funeral services contract entered into after 31 December 2012.

**7.** (1) Section 31 of the Act is amended by replacing paragraphs 2 and 5 by the following paragraphs:

“(2) where an item of goods or a service under a prearranged funeral services contract is provided after the first deposit in trust pursuant to the contract and before the death of the person for whom the goods or services are intended, an amount equal to the amount set forth in the contract in respect of the goods or services may be withdrawn upon production of the acknowledgement of receipt contemplated in paragraph 1 of section 37 or of a copy of the notice contemplated in paragraph 2 of section 37 and of proof that the buyer has received it;

“(5) where a contract modification entails a reduction in the total amount first established under the contract in respect of goods and services, an amount equal to the reduction may be withdrawn on production of a copy of the contract and modifying document together with a receipt signed by the buyer certifying that an amount equal to the amount claimed has been paid to him;”.

(2) Subsection 1 applies in respect of a prearranged funeral services contract entered into after 31 December 2012.

## ACT RESPECTING PARENTAL INSURANCE

**8.** (1) Section 43.0.1 of the Act respecting parental insurance (chapter A-29.011) is amended by inserting the following paragraph after the first paragraph:

“For the purpose of determining the remuneration of a person for a year for services provided as a person responsible for a particular family-type resource or intermediate resource, the following rules apply:

(1) an amount received by the particular resource in the year 2013, as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies and that is attributable to the year 2012, is deemed to have been received in that year and not in the year 2013; and

(2) an amount received by the particular resource in a particular month that begins after 31 January 2013, as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies, other than an amount referred to in subparagraph 1, is deemed to have been received in the month that precedes the particular month.”

(2) Subsection 1 has effect from 1 January 2012. However, an amount described in subparagraph 1 of the second paragraph of section 43.0.1 of the Act does not reduce benefits received in the year 2012.

## ACT CONSTITUTING CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

**9.** (1) Section 19 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) is amended

(1) by replacing subparagraph 10 of the fifth paragraph by the following subparagraph:

“(10) investments made by the Société after 10 November 2011 in Fonds Relève Québec, s.e.c.”;

(2) by replacing subparagraph 3 of the tenth paragraph by the following subparagraph:

“(3) the aggregate of the investments described in subparagraph 6 of that paragraph may not exceed 10% of the Société’s net assets at the end of the preceding fiscal year;”;

(3) by adding the following subparagraph after subparagraph 5 of the eleventh paragraph:

“(6) a portion representing 35% of the eligible investments described in subparagraph 10 of the fifth paragraph is considered to have been made in entities situated in the resource regions of Québec referred to in Schedule 2.”

(2) Paragraph 1 of subsection 1 has effect from 11 November 2011.

(3) Paragraph 2 of subsection 1 applies to a fiscal year that begins after 31 December 2012.

(4) Paragraph 3 of subsection 1 applies to a fiscal year that begins after 31 December 2011.

ACT TO ESTABLISH FONDACTION, LE FONDS DE  
DÉVELOPPEMENT DE LA CONFÉDÉRATION DES SYNDICATS  
NATIONAUX POUR LA COOPÉRATION ET L’EMPLOI

**10.** (1) Section 19 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi (chapter F-3.1.2) is amended by replacing subparagraph 10 of the fifth paragraph by the following subparagraph:

“(10) investments made by the Fund after 10 November 2011 in Fonds Relève Québec, s.e.c.”

(2) Subsection 1 has effect from 11 November 2011.

ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ  
DES TRAVAILLEURS DU QUÉBEC (F.T.Q.)

**11.** (1) Section 15 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1), amended by section (*insert the number of the section in Bill 18 that amends section 15 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.)*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by replacing subparagraph 13 of the sixth paragraph by the following subparagraph:

“(13) investments made by the Fund after 10 November 2011 in Fonds Relève Québec, s.e.c.”

(2) Subsection 1 has effect from 11 November 2011.

## TOBACCO TAX ACT

### **12.** (1) Section 8 of the Tobacco Tax Act (chapter I-2) is amended

(1) by replacing paragraphs *a* to *b.1* by the following paragraphs:

“(a) \$0.129 per cigarette;

“(b) \$0.129 per gram of any loose tobacco;

“(b.1) \$0.129 per gram of any leaf tobacco;”;

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

“(d) \$0.1985 per gram of any tobacco other than cigarettes, loose tobacco, leaf tobacco or cigars. However, if the quantity of tobacco contained in a tobacco stick, a roll of tobacco or any other pre-rolled tobacco product designed for smoking is such that the consumer tax payable under this paragraph is less than \$0.129 per tobacco stick, roll of tobacco or other pre-rolled tobacco product, the consumer tax shall be \$0.129 per tobacco stick, roll of tobacco or other pre-rolled tobacco product designed for smoking.”

(2) Subsection 1 has effect from 21 November 2012. In addition, not later than 21 December 2012, the following persons shall submit to the Minister of Revenue an inventory, using the prescribed form, of the tobacco products referred to in subsection 1 that the persons have in stock at 12:00 midnight on 20 November 2012 and, at the same time, remit to the Minister of Revenue the amount corresponding to the tobacco tax computed at the rate in effect on 21 November 2012, in respect of those tobacco products, after deducting an amount corresponding to the tobacco tax computed at the rate in effect on 20 November 2012, to the extent that such remittance has not otherwise been made:

(1) a person who has not made an agreement under section 17 of the Act and who, in Québec, sells tobacco products in respect of which the amount corresponding to the tobacco tax was collected in advance or should have been collected in advance; and

(2) a collection officer who has made an agreement under section 17 of the Act and who, in Québec, sells tobacco products in respect of which the amount corresponding to the tobacco tax was paid in advance or must be paid.

(3) For the purposes of subsection 2, the tobacco products that a person has in stock at 12:00 midnight on 20 November 2012 include the tobacco products the person has acquired but that have not been delivered to the person at that time.

## TAXATION ACT

### **13.** Section 358.0.3 of the Taxation Act (chapter I-3) is amended

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

**“358.0.3.** An individual, other than a trust, may deduct in computing the individual’s income for a taxation year the lesser of \$1,000 and 6% of the aggregate of all amounts each of which is any of the following amounts, other than an amount described in the second paragraph:”;

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

“The amount to which the first paragraph refers is

(*a*) an amount included in computing the individual’s income for the year from an office or employment held by the individual as an elected member of a municipal council, a member of the council or executive committee of a metropolitan community, regional county municipality or other similar body established under an Act of Québec, a member of a municipal utilities commission or corporation or any other similar body administering such utilities or a member of a public or separate school board or any other similar body administering a school district;

(*b*) an amount included in computing the individual’s income for the year from an office held by the individual as a member of the National Assembly, the House of Commons of Canada, the Senate or the legislature of another province;

(*b.1*) an amount included in computing the individual’s income for the year from a previous office or employment, if each of the amounts that make up the income is the value of a benefit received or enjoyed by the individual in the year because of that office or employment; or”.

**14.** (1) Section 693 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 693 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by replacing the second paragraph by the following paragraph:

“However, the taxpayer shall apply the provisions of this Book in the following order: Title I.0.0.1, sections 694.0.1, 694.0.2, 737.17, 737.18.12, 726.29 and 726.35, Titles V, VI.8, V.1, VI.1, VI.2, VI.3, VI.3.1, VI.3.2, VI.3.2.1, VI.3.2.2, VI.3.2.3, VII, VII.0.1, VI.5 and VI.5.1 and sections 725.1.2, 737.14 to 737.16.1, 737.18.10, 737.18.11, 737.18.17, 737.18.17.5, 737.18.26, 737.18.34, 737.21, 737.22.0.0.3, 737.22.0.0.7, 737.22.0.3, 737.22.0.4.7,

737.22.0.7, 737.22.0.10, 737.22.0.13, 737.25, 737.28, 726.28, 726.33 and 726.34.”

(2) Subsection 1 applies to a taxation year that ends after 20 November 2012.

**15.** (1) The Act is amended by inserting the following section after section 733.0.5:

**“733.0.5.1.** For the purpose of determining the amount of the non-capital loss, farm loss, net capital loss or limited partnership loss for a taxation year of a corporation that carries on a recognized business in the year or is a member of a partnership that carries on such a recognized business in a fiscal period of the partnership ending in the year, in relation to a large investment project of the corporation or partnership, as the case may be, in respect of which a certificate was issued for the corporation’s taxation year or the partnership’s fiscal period, the following rules apply:

(a) where, in respect of the corporation for the year, the amount determined under subparagraph *a* of the second paragraph of section 737.18.17.5 exceeds the amount determined under subparagraph *b* of that paragraph,

i. the amount that is the income or portion of the income, as the case may be, of the corporation for the year, determined under that subparagraph *a*, is, in the proportion determined in the second paragraph, deemed to be nil, and

ii. the amount that is the loss or portion of the loss, as the case may be, of the corporation for the year, determined under that subparagraph *b*, is, in the proportion determined in the second paragraph, deemed to be nil; and

(b) where, in respect of the partnership for the fiscal period, the amount determined under subparagraph *d* of the second paragraph of section 737.18.17.5 exceeds the amount determined under subparagraph *e* of that paragraph,

i. the corporation’s share of the amount that is the income or portion of the income, as the case may be, determined under that subparagraph *d* in respect of the partnership for the fiscal period, is, in the proportion determined in the second paragraph, deemed to be nil, and

ii. the corporation’s share of the amount that is the loss or portion of the loss, as the case may be, determined under that subparagraph *e* in respect of the partnership for the fiscal period, is, in the proportion determined in the second paragraph, deemed to be nil.

The proportion to which the first paragraph refers is the proportion that the amount that is deductible in computing the corporation’s taxable income for the year under section 737.18.17.5 is of the amount that would be deductible in computing the corporation’s taxable income for the year under section 737.18.17.5 if no reference were made to section 737.18.17.6.

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

In this section, "certificate", "large investment project" and "recognized business" have the meaning assigned by the first paragraph of section 737.18.17.1."

(2) Subsection 1 applies to a taxation year that ends after 20 November 2012.

**16.** (1) The Act is amended by inserting the following after section 737.18.17:

#### **"TITLE VII.2.3.1**

#### **"DEDUCTION RELATING TO THE CARRYING OUT OF A LARGE INVESTMENT PROJECT**

#### **"CHAPTER I**

#### **"INTERPRETATION AND GENERAL RULES**

**"737.18.17.1.** In this Title, unless the context indicates otherwise,

"certificate" for a taxation year of a corporation or a fiscal period of a partnership, in relation to a large investment project, means the certificate that, for the purposes of this Title, is issued by the Minister of Finance, in relation to the large investment project for the corporation's taxation year or the partnership's fiscal period, as the case may be;

"date of the beginning of the tax-free period" in respect of a large investment project means the date that is specified as such in the first certificate in relation to the large investment project;

"eligible activities" of a corporation or a partnership, in relation to a large investment project, means, subject to section 737.18.17.4, the activities or part of the activities that are carried on by the corporation or partnership, as the case may be, in the course of carrying on its recognized business in relation to the large investment project and that arise from the project, except, in the case of a corporation, the activities that

(a) are carried on under a contract that is an eligible contract for the purposes of Division II.6.0.1.8 of Chapter III.1 of Title III of Book IX; or

(b) are eligible activities for the purposes of Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX;

"large investment project" of a corporation or a partnership means an investment project in respect of which a qualification certificate has been issued to the corporation or partnership, as the case may be, by the Minister of Finance, for the purposes of this Title;

“prior loss attributable to eligible activities” of a corporation for a taxation year or of a partnership for a fiscal period means the amount determined by the formula

$A - B$ ;

“recognized business” of a corporation or a partnership in relation to a large investment project means a business or part of a business, carried on in Québec by the corporation or partnership, in connection with which the large investment project was carried out or is in the process of being carried out and in respect of which the corporation or partnership keeps separate accounts in relation to the eligible activities of the corporation or partnership, in relation to the project;

“tax-free period” of a corporation or a partnership, in relation to a large investment project, means the 10-year period that begins on the date of the beginning of the tax-free period in respect of the large investment project, unless the corporation or partnership acquired all or substantially all of the recognized business in relation to the large investment project and the Minister of Finance authorized the transfer of the carrying out of the project to the corporation or partnership, according to the qualification certificate issued to the corporation or partnership, in relation to the project, in which case it means the part of that 10-year period that begins on the date of acquisition of the recognized business;

“total qualified capital investments”, at a particular date, of a corporation or a partnership, in relation to a large investment project, means the aggregate of the capital expenditures incurred by the corporation or partnership, as the case may be, from the beginning of the carrying out of the large investment project until that date, to obtain goods or services with a view to establishing, in Québec, the recognized business of the corporation or partnership, in relation to the project, or with a view to increasing, improving or modernizing the production of such a business, except such expenditures that are related to the purchase or use of land or the acquisition of a business already carried on in Québec.

In the formula in the definition of “prior loss attributable to eligible activities” of a corporation for a particular taxation year or of a partnership for a particular fiscal period, in the first paragraph,

(a) A is

i. in relation to a corporation, the aggregate of all amounts each of which is the amount, in respect of the corporation, for a taxation year preceding the particular year, by which the amount determined under subparagraph *b* of the second paragraph of section 737.18.17.5 exceeds the amount determined under subparagraph *a* of that second paragraph, and

ii. in relation to a partnership, the aggregate of all amounts each of which is the amount, in respect of the partnership, for a fiscal period preceding the particular fiscal period, by which the amount determined under

subparagraph *e* of the second paragraph of section 737.18.17.5 exceeds the amount determined under subparagraph *d* of that second paragraph; and

(*b*) B is

i. in relation to a corporation, the aggregate of all amounts each of which is the amount that reduced, because of C in the formula in subparagraph *a* of the first paragraph of section 737.18.17.5, the amount that would have been otherwise deductible by the corporation, under that section, for a taxation year preceding the particular year, and

ii. in relation to a partnership, the aggregate of all amounts each of which is the amount that reduced, because of F in the formula in subparagraph *b* of the first paragraph of section 737.18.17.5, the amount of which a portion would have been otherwise deductible by a corporation that is a member of the partnership, under that section, for a taxation year in which a fiscal period preceding the particular fiscal period of the partnership ends.

**“737.18.17.2.** For the purposes of this Title, to determine the income or loss of a corporation for a taxation year, or of a partnership for a fiscal period, from its eligible activities in relation to a large investment project, the income or loss is to be computed as if

(*a*) the eligible activities were the carrying on of a separate business; and

(*b*) the corporation or partnership were deducting in computing its income for the taxation year or fiscal period and had deducted in computing its income for any preceding taxation year or fiscal period, in relation to the separate business, the maximum amount in respect of any reserve, allowance or other amount.

For the purposes of subparagraph *b* of the first paragraph, the following rules must be taken into consideration:

(*a*) the undepreciated capital cost, on the date described in the third paragraph for the corporation or partnership, in respect of the large investment project, of depreciable property of a prescribed class in relation to the separate business referred to in subparagraph *a* of the first paragraph, is deemed to include the amount that is the amount by which the total depreciation, within the meaning of paragraph *b* of section 93, allowed to the corporation or partnership, as the case may be, before that date, in respect of property of that class, exceeds the aggregate of all amounts each of which is an amount that the corporation or partnership, as the case may be, included, under section 94, in respect of property of that class, in computing its income for a taxation year or fiscal period ending before that date; and

(*b*) the eligible incorporeal capital amount of the corporation or partnership, in respect of the separate business referred to in subparagraph *a* of the first paragraph, on the date described in the third paragraph for the corporation or

partnership, in relation to the large investment project, is deemed to include the amount that is the amount by which the aggregate of all amounts each of which is an amount that the corporation or partnership, as the case may be, deducted in computing its income from the separate business, under paragraph *b* of section 130, for a taxation year or fiscal period that ended before that date, exceeds the aggregate of all amounts each of which is an amount that the corporation or partnership, as the case may be, included in computing its income from the separate business under section 105 for such a taxation year or fiscal period.

The date to which subparagraphs *a* and *b* of the second paragraph refer is the date of the beginning of the tax-free period in respect of the large investment project, unless the corporation or partnership acquired all or substantially all of the recognized business in relation to the large investment project and the Minister of Finance authorized the transfer of the carrying out of the project to the corporation or partnership, according to the qualification certificate issued to the corporation or partnership, in relation to the project, in which case it is the date of acquisition of the recognized business.

**“737.18.17.3.** Where, at any time, a corporation or a partnership (in this section referred to as the “acquirer”) acquired all or substantially all of a recognized business from another corporation or partnership (in this section referred to as the “vendor”), in relation to a large investment project, and the Minister of Finance previously authorized the transfer of the carrying out of the large investment project to the acquirer, according to a qualification certificate issued by that Minister to the acquirer in respect of the project,

(*a*) the following rules must be taken into consideration for the purposes of this Title:

i. for the purpose of computing the prior loss attributable to eligible activities of the acquirer for a taxation year or fiscal period that ends after that time, there shall be added to the amount otherwise represented by *A* in the formula in the definition of “prior loss attributable to eligible activities” in the first paragraph of section 737.18.17.1, unless it is otherwise included in that amount, the portion that is reasonably attributable to the recognized business of the amount by which the aggregate of the following amounts exceeds the amount represented by *C* or *F* in the formula in subparagraph *a* or *b* of the first paragraph of section 737.18.17.5, in respect of the vendor for that taxation year or fiscal period:

(1) the amount, in respect of the vendor for the taxation year or fiscal period, by which the amount determined under subparagraph *b* or *e* of the second paragraph of section 737.18.17.5 exceeds the amount determined under subparagraph *a* or *d* of that second paragraph, and

(2) the prior loss attributable to eligible activities of the vendor for that taxation year or fiscal period, and

ii. for the purpose of computing the prior loss attributable to eligible activities of the vendor for a taxation year or fiscal period that ends after that time, there shall be added to the amount otherwise represented by B in the formula in the definition of “prior loss attributable to eligible activities” in the first paragraph of section 737.18.17.1, the portion of the excess amount referred to in subparagraph i, in respect of the acquirer for such a taxation year or fiscal period; and

(b) the following rules must be taken into consideration when determining, for the purposes of subparagraphs *a* and *b* or *d* and *e* of the second paragraph of section 737.18.17.5, the amount referred to therein in relation to the large investment project:

i. the taxation year or fiscal period of the vendor that includes that time is deemed to end immediately before that time, and

ii. the taxation year or fiscal period of the acquirer that includes that time is deemed to begin at that time.

**“737.18.17.4.** If, at a particular time, the activities carried on in Québec by a person or a partnership in relation to a business diminish or cease and it may reasonably be considered that, as a result, a corporation or another partnership begins, after the particular time, to carry on similar activities in the course of carrying on a recognized business, in relation to a large investment project, or increases the scope of similar activities carried on in the course of carrying on such a business, those activities or portions of activities, as the case may be, are, subject to section 737.18.17.3, deemed not to be eligible activities of the corporation or of the other partnership carried on in the course of carrying on the recognized business.

## **“CHAPTER II**

### **“DEDUCTION**

**“737.18.17.5.** A corporation that, in a taxation year, carries on a recognized business in relation to a large investment project or is a member of a partnership that carries on such a recognized business in the partnership’s fiscal period ending in that year, may, subject to the third paragraph, deduct in computing its taxable income for the year, if a certificate has been issued for the year or fiscal period, in relation to the large investment project, an amount not exceeding the portion of its income for the year that may reasonably be considered to be equal to the lesser of the amount determined in accordance with section 737.18.17.6, in respect of the corporation for the year, and the aggregate of

(a) the amount determined by the formula

$(A - B) - C$ ; and

(b) the aggregate of all amounts each of which is the corporation's share of the amount determined, in respect of such a partnership of which the corporation is a member, by the formula

$$(D - E) - F.$$

In the formulas in the first paragraph,

(a) A is the aggregate of all amounts each of which is equal to the amount obtained by multiplying the corporation's income for the taxation year from its eligible activities, in relation to a large investment project, by the proportion that the number of days in the year that are included in the corporation's tax-free period, in relation to the large investment project, is of the number of days in the year;

(b) B is the aggregate of all amounts each of which is equal to the amount obtained by multiplying the corporation's loss for the taxation year from its eligible activities, in relation to a large investment project, by the proportion that the number of days in the year that are included in the corporation's tax-free period, in relation to the large investment project, is of the number of days in the year;

(c) C is the prior loss attributable to eligible activities of the corporation for the year;

(d) D is the aggregate of all amounts each of which is equal to the amount obtained by multiplying the partnership's income for the fiscal period from its eligible activities, in relation to a large investment project, by the proportion that the number of days in the fiscal period that are included in the partnership's tax-free period, in relation to the large investment project, is of the number of days in the fiscal period;

(e) E is the aggregate of all amounts each of which is equal to the amount obtained by multiplying the partnership's loss for the fiscal period from its eligible activities, in relation to a large investment project, by the proportion that the number of days in the fiscal period that are included in the partnership's tax-free period, in relation to the large investment project, is of the number of days in the fiscal period; and

(f) F is the prior loss attributable to eligible activities of the partnership for the fiscal period.

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 under section 1000 for the year,

(a) the prescribed form containing prescribed information; and

(b) in relation to each large investment project, referred to in the first paragraph, of the corporation or of a partnership of which the corporation is a member,

i. the financial statements relating to the eligible activities of the corporation or partnership, in relation to the large investment project, for the taxation year or fiscal period, as the case may be,

ii. a copy of the qualification certificate issued to the corporation or partnership in respect of the large investment project,

iii. a copy of the certificate issued for the corporation's taxation year or the partnership's fiscal period, as the case may be, in relation to the large investment project,

iv. where the large investment project is a project of the partnership, a copy of each agreement referred to in section 737.18.17.9 in respect of the fiscal period of the partnership that ends in the taxation year or in a preceding taxation year, in relation to the project, unless it has already been filed, and

v. where the corporation or partnership acquired or sold all or substantially all of the recognized business in relation to the large investment project, a copy of the agreement referred to in section 737.18.17.11 in respect of the transfer, unless it has already been filed.

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

**“737.18.17.6.** The amount to which the first paragraph of section 737.18.17.5 refers in respect of a corporation for a taxation year is equal to the aggregate of the following amounts that is multiplied, if the corporation has an establishment situated outside Québec, by the reciprocal of the proportion that its business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771:

(a) the lesser of  $100/8$  of the aggregate of all amounts each of which is the corporation's tax exemption amount for the year in respect of a large investment project of the corporation, or of a partnership of which it is a member, that is referred to in the first paragraph of section 737.18.17.5 and the amount by which the amount that would be determined in its respect for the year under section 771.2.1.2 if no reference were made to section 771.2.5.1 and if, for the purposes of paragraph *b* of section 771.2.1.2, its taxable income otherwise determined for the year were computed without reference to section 737.18.17.5, exceeds the amount that would be determined in its respect for the year under section 771.2.1.2 if the corporation were to deduct, in computing its taxable income, all of the amount that, but for this section, would be determined under section 737.18.17.5; and

(b) 100/11.9 of the amount by which the aggregate of all amounts each of which is the corporation's tax exemption amount for the year in respect of a large investment project of the corporation, or of a partnership of which it is a member, that is referred to in the first paragraph of section 737.18.17.5 exceeds 8% of the amount determined under subparagraph *a* in respect of the corporation for the year.

For the purposes of this section, a corporation's tax exemption amount for a taxation year in respect of a large investment project of the corporation, or of a partnership of which it is a member, is equal to the lesser of the amount that is determined under the fourth paragraph, for the year, in relation to the large investment project and the balance of the corporation's tax assistance limit for the year in respect of the project.

The balance of a corporation's tax assistance limit, for a particular taxation year, in respect of a large investment project, is equal to

(a) in the case of a large investment project of the corporation, the amount by which the corporation's tax assistance limit, in relation to the project, determined in accordance with section 737.18.17.7, exceeds the aggregate of

i. the aggregate of all amounts each of which is the corporation's tax exemption amount, for a taxation year preceding the particular year, in respect of the large investment project, determined in accordance with the second paragraph,

ii. the aggregate of all amounts each of which is the corporation's contribution exemption amount, for the particular taxation year or for a taxation year preceding it, in respect of the large investment project, determined in accordance with the second paragraph of section 34.1.0.3 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), and

iii. where, at any time in the particular taxation year, the corporation transfers its recognized business in relation to the large investment project to another corporation or a partnership, the amount that was transferred to the other corporation or the partnership pursuant to the agreement referred to in section 737.18.17.11 in respect of the transfer; or

(b) in the case of a large investment project of a partnership of which the corporation is a member, the amount by which the corporation's tax assistance limit for the particular year, in relation to the large investment project, determined in accordance with section 737.18.17.8 exceeds the aggregate of all amounts each of which is the corporation's tax exemption amount for a taxation year preceding the particular year, in respect of the project, determined in accordance with the second paragraph.

The amount to which the second paragraph refers, for a taxation year of the corporation, in relation to a large investment project is determined by the formula

$A \times B \times C$ .

In the formula in the fourth paragraph,

(a) A is 1, unless the corporation has an establishment situated outside Québec for the taxation year, in which case it is the proportion that the corporation's business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771 for the year;

(b) B is the aggregate of

i. 8% of the lesser of the particular amount that would be deducted in computing the corporation's taxable income for the taxation year under section 737.18.17.5 if no reference were made to this section and the amount by which the amount that would be determined in its respect for the year under section 771.2.1.2 if no reference were made to section 771.2.5.1 and if, for the purposes of paragraph *b* of section 771.2.1.2, its taxable income for the year were computed without reference to section 737.18.17.5, exceeds the amount that would be determined in its respect for the year under section 771.2.1.2 if the corporation were to deduct the particular amount in computing its taxable income, and

ii. 11.9% of the amount by which the amount that would be deducted in computing the corporation's taxable income for the taxation year under section 737.18.17.5 if no reference were made to this section exceeds the excess amount determined under subparagraph i; and

(c) C is

i. in the case of an investment project of the corporation, the proportion represented by the ratio between the amount that would be represented by A in the formula in subparagraph *a* of the first paragraph of section 737.18.17.5, for the taxation year, if the corporation's income referred to in subparagraph *a* of the second paragraph of that section were derived only from its eligible activities, in relation to the large investment project, and the total of the amount that is the value of A in that formula for the year and the aggregate of all amounts each of which is the corporation's share of the amount represented by D in the formula in subparagraph *b* of that first paragraph for the fiscal period of a partnership of which the corporation is a member that ends in the year, or

ii. in the case of an investment project of a partnership of which the corporation is a member, the proportion represented by the ratio between the corporation's share of the amount that would be represented by D in the formula in subparagraph *b* of the first paragraph of section 737.18.17.5, for the fiscal period of the partnership that ends in the taxation year, if the partnership's income referred to in subparagraph *d* of the second paragraph of that section were derived only from its eligible activities, in relation to the large investment project, and the total of the amount represented by A in the formula in

subparagraph *a* of that first paragraph for the year and the aggregate of all amounts each of which is the corporation's share of the amount represented by that letter D for the fiscal period of a partnership of which the corporation is a member that ends in the year.

For the purposes of subparagraph *c* of the fifth paragraph, the corporation's share of an amount for a partnership's fiscal period is equal to the agreed proportion of that amount in respect of the corporation for the partnership's fiscal period.

**“737.18.17.7.** A corporation's tax assistance limit in relation to a large investment project is 15% of its total qualified capital investments on the date of the beginning of the tax-free period in respect of the large investment project, unless the corporation acquired all or substantially all of the recognized business in relation to the project, in which case it is the amount that was transferred to the corporation pursuant to the agreement referred to in section 737.18.17.11 in respect of the acquisition.

**“737.18.17.8.** A corporation's tax assistance limit, in relation to a large investment project of a partnership of which the corporation is a member, for a particular taxation year in which a fiscal period of the partnership ends is

(*a*) the aggregate of all amounts each of which is an amount allocated to the corporation, for the particular year or for a preceding taxation year, pursuant to the agreement referred to in section 737.18.17.9 in respect of the fiscal period of the partnership that ends in that year, in relation to the large investment project; or

(*b*) zero, if in respect of any fiscal period of the partnership that ends in the particular taxation year or in a preceding taxation year, no such agreement has been entered into in relation to the large investment project.

**“737.18.17.9.** The agreement to which section 737.18.17.8 refers in respect of a particular fiscal period of a partnership, in relation to a large investment project of the partnership, is the agreement under which the partnership and all its members agree on an amount in respect of the partnership's tax assistance limit in relation to the large investment project, for the purpose of allocating to each corporation that is a member of the partnership, for the taxation year in which the particular fiscal period ends, its share of the agreed amount, which amount must not be greater than the amount by which the amount described in the second paragraph exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is the amount so agreed on, in respect of a preceding fiscal period of the partnership, in relation to the particular large investment project;

(*b*) the aggregate of all amounts each of which is the partnership's contribution exemption amount, for a preceding fiscal period, in respect of the

large investment project, determined in accordance with the second paragraph of section 34.1.0.3 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5); and

(c) where, at any time in the particular fiscal period, the partnership transfers its recognized business in relation to the large investment project to a corporation or another partnership, the amount that was transferred to the corporation or the other partnership pursuant to the agreement referred to in section 737.18.17.11 in respect of the transfer.

The amount to which the portion of the first paragraph before subparagraph *a* refers is 15% of the total qualified capital investments of the partnership on the date of the beginning of the tax-free period in respect of the large investment project, unless the partnership acquired all or substantially all of the recognized business in relation to the project, in which case it is the amount that is transferred to the partnership pursuant to the agreement referred to in section 737.18.17.11 in respect of the acquisition.

The share of a corporation that is a member of the partnership of the amount agreed on under an agreement referred to in the first paragraph, in respect of a fiscal period, is the agreed proportion of that amount in respect of the corporation for the partnership's fiscal period.

**“737.18.17.10.** Where the amount agreed on, in respect of a particular fiscal period of a partnership, in relation to a large investment project, pursuant to an agreement referred to in section 737.18.17.9, is greater than the excess amount referred to in the first paragraph of that section, the agreed amount is, for the purposes of this Title and section 34.1.0.3 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), deemed to be equal to that excess amount.

**“737.18.17.11.** Where, at any time in a particular taxation year or fiscal period, a corporation or a partnership, as the case may be, (in this section referred to as the “acquirer”) acquired all or substantially all of a recognized business from another corporation or partnership (in this section referred to as the “vendor”) in relation to a particular large investment project, and the Minister of Finance previously authorized the transfer of the carrying out of the particular large investment project to the acquirer, according to a qualification certificate issued by that Minister to the acquirer in respect of the particular project, the vendor and the acquirer shall enter into an agreement under which an amount in respect of the vendor's tax assistance limit in relation to the particular project is transferred to the acquirer, which amount must not be greater than the amount by which the amount described in the second paragraph exceeds,

(a) where the vendor is a corporation, the total of

i. the aggregate of all amounts each of which is, for a preceding taxation year, equal to the amount determined by the formula

$A \times B \times C$ , and

ii. the aggregate of all amounts each of which is, for a preceding taxation year, equal to the amount determined by the formula

$D \times E$ ; or

(b) where the vendor is a partnership, the total of

i. the aggregate of all amounts each of which is an amount agreed on, in respect of a preceding fiscal period of the vendor, in relation to the particular large investment project, pursuant to an agreement referred to in section 737.18.17.9 in respect of the fiscal period, and

ii. the aggregate of all amounts each of which is, for a preceding fiscal period of the vendor, equal to the amount determined by the formula

$D \times E$ .

The amount to which the portion of the first paragraph before subparagraph *a* refers is 15% of the total qualified capital investments of the vendor on the date of the beginning of the tax-free period in respect of the particular large investment project, unless the vendor acquired all or substantially all of the recognized business in relation to the particular large investment project following a transfer that occurred at any time in a preceding taxation year or fiscal period, in which case it is the amount that was transferred to the vendor pursuant to an agreement referred to in this section in respect of the particular project.

In the formulas in the first paragraph,

(a) *A* is 1, unless the vendor has an establishment situated outside Québec for the preceding year, in which case it is the proportion that the vendor's business carried on in Québec is of the aggregate of its business carried on in Canada or in Québec and elsewhere, as determined under subsection 2 of section 771 for that preceding year;

(b) *B* is the aggregate of

i. 8% of the lesser of the amount that the vendor deducts in computing its taxable income for the preceding year under section 737.18.17.5 and the amount by which the amount that would be determined in its respect for the preceding year under section 771.2.1.2 if no reference were made to section 771.2.5.1 and if, for the purposes of paragraph *b* of section 771.2.1.2, its taxable income for the year were computed without reference to section 737.18.17.5, exceeds the amount that would be determined in its respect for the year under section 771.2.1.2 if the vendor were to deduct, in computing its taxable income, all of the amount that, but for section 737.18.17.6, would be determined under section 737.18.17.5, and

ii. 11.9% of the amount by which the amount that the vendor deducts in computing its taxable income for the preceding year under section 737.18.17.5 exceeds the excess amount determined under subparagraph i;

(c) C is the proportion represented by the ratio between the value A would have in the formula in subparagraph *a* of the first paragraph of section 737.18.17.5, for that preceding year, in respect of the vendor, if the vendor's income referred to in subparagraph *a* of the second paragraph of that section were derived only from its eligible activities, in relation to the particular large investment project, and the value of A in that formula for that preceding year in respect of the vendor;

(d) D is the amount that would be payable by the vendor as the contribution provided for in section 34 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) in respect of the aggregate of all amounts each of which is an amount of wages, paid or deemed to be paid in that preceding year or fiscal period, as the case may be, for which no contribution is payable under subparagraph *d.1* of the seventh paragraph of section 34 of that Act; and

(e) E is the proportion that the aggregate of all amounts each of which is wages paid or deemed to be paid to an employee, in respect of the part of the employee's working time devoted to eligible activities of the vendor, in relation to the particular large investment project, for all or part of a pay period within the part of the preceding year or fiscal period, as the case may be, that is included in the vendor's tax-free period, in relation to the particular project, is of the aggregate of all amounts each of which is wages paid or deemed to be paid to an employee, in respect of the part of the employee's working time devoted to eligible activities of the vendor in relation to any large investment project of the vendor, for all or part of a pay period within the part of the preceding year or fiscal period that is included in the vendor's tax-free period, in relation to the project.

**“737.18.17.12.** Where the amount that was transferred to a corporation or a partnership, in relation to a large investment project, pursuant to an agreement referred to in section 737.18.17.11 is greater than the excess amount referred to in the first paragraph of that section, the amount transferred to the corporation or partnership is, for the purposes of this Title and sections 34.1.0.3 and 34.1.0.4 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5), deemed to be equal to the excess amount.”

(2) Subsection 1 applies to a taxation year that ends after 20 November 2012.

**17.** (1) Section 750 of the Act is amended

(1) by replacing paragraph *c* by the following paragraph:

“(c) 24% of the amount by which the lesser of \$100,000 and the individual's taxable income for that year exceeds \$75,000; and”;

(2) by adding the following paragraph:

“(d) 25.75% of the amount by which the individual’s taxable income for that year exceeds \$100,000.”

(2) Subsection 1 applies from the taxation year 2013.

(3) In addition,

(1) in applying section 1025 of the Act for the purpose of computing the amount of a payment that an individual referred to in that section is required to make for the taxation year 2013, in applying section 1038 of the Act for the purpose of computing the interest, if any, that the individual is required to pay under that section in respect of that payment, subsection 1 is deemed to have also been in force for the taxation year 2012; and

(2) in applying section 1026 of the Act for the purpose of computing the amount of a payment that an individual referred to in that section is required to make for a particular year that is the taxation year 2013 or 2014, and in applying section 1038 of the Act for the purpose of computing the interest, if any, that the individual is required to pay under that section in respect of that payment,

(a) if the particular year is the taxation year 2013, subsection 1 is deemed to have also been in force for the taxation years 2011 and 2012; or

(b) if the particular year is the taxation year 2014, subsection 1 is deemed to have also been in force for the taxation year 2012.

**18.** (1) Section 750.1.1 of the Act, enacted by section (*insert the number of the section in Bill 18 that enacts section 750.1.1 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is replaced by the following section:

**“750.1.1.** The percentage to which sections 768 and 770 refer is

(a) 24%, where the taxation year ends after 19 March 2012 and before 1 January 2013; or

(b) 25.75%, where the taxation year is the year 2013 or a subsequent year.”

(2) Subsection 1 applies from the taxation year 2013.

(3) In addition,

(1) in applying section 1025 of the Act for the purpose of computing the amount of a payment that an inter vivos trust is required to make for the taxation year 2013, and in applying section 1038 of the Act for the purpose of computing the interest, if any, that the trust is required to pay under that section in respect

of that payment, subsection 1 is deemed to have also been in force for the taxation year 2012 and, for that purpose, section 750.1.1 of the Act, enacted by subsection 1, is to be read without reference to its paragraph *a* and as if “2013” in its paragraph *b* was replaced by “2012”; and

(2) in applying section 1026 of the Act for the purpose of computing the amount of a payment that an inter vivos trust is required to make for a particular year that is the taxation year 2013 or 2014, and in applying section 1038 of the Act for the purpose of computing the interest, if any, that the trust is required to pay under that section in respect of that payment,

(*a*) if the particular year is the taxation year 2013, subsection 1 is deemed to have also been in force for the taxation years 2011 and 2012 and, for that purpose, section 750.1.1 of the Act, enacted by subsection 1, is to be read without reference to its paragraph *a* and as if “2013” in its paragraph *b* was replaced by “2011”; or

(*b*) if the particular year is the taxation year 2014, subsection 1 is deemed to have also been in force for the taxation year 2012 and, for that purpose, section 750.1.1 of the Act, enacted by subsection 1, is to be read without reference to its paragraph *a* and as if “2013” in its paragraph *b* was replaced by “2012”.

**19.** (1) Section 750.2 of the Act is amended by replacing subparagraph *a* of the fourth paragraph by the following subparagraph:

“(a) the amounts of \$37,500, \$75,000 and \$100,000, wherever they are mentioned in section 750;”.

(2) Subsection 1 applies from the taxation year 2014.

**20.** Section 752.0.0.3 of the Act is amended by replacing the portion of the second paragraph before subparagraph *a* by the following:

“In the first paragraph and sections 752.0.0.4 to 752.0.0.6, “covered benefit” attributable to a taxation year means an amount that is an income replacement indemnity, or a compensation for the loss of financial support, determined in that year under a public compensation plan and established on the basis of net income following an accident, employment injury, bodily injury or death or in order to prevent bodily injury, other than”.

**21.** (1) Section 752.0.10.0.2 of the Act is amended

(1) by replacing the definition of “excess work income limit” by the following definition:

““excess work income limit” applicable for a taxation year means an amount equal to \$3,000;”;

(2) by replacing paragraph *a* of the definition of “excluded work income” by the following paragraph:

“(a) an amount included in computing the individual’s income for the year from a previous office or employment, if each of the amounts that make up the income is the value of a benefit received or enjoyed by the individual in the year because of that office or employment;”.

(2) Paragraph 1 of subsection 1 applies from the taxation year 2013.

**22.** (1) Section 766.6 of the Act is amended, in the first paragraph,

(1) by replacing subparagraph *c* by the following subparagraph:

“(c) 24% of the specified individual’s split income for the year, where that year is any of the years 2002 to 2012; or”;

(2) by adding the following subparagraph:

“(d) 25.75% of the specified individual’s split income for the year, where that year is the year 2013 or a subsequent year.”

(2) Subsection 1 applies from the taxation year 2013.

**23.** Section 766.16 of the Act is amended by replacing the portion of paragraph *b* before subparagraph *i* by the following:

“(b) in any other case, an amount that is an income replacement indemnity or a compensation for the loss of financial support, determined under a public compensation plan and established on the basis of net income following an accident, employment injury, bodily injury or death or in order to prevent bodily injury, other than”.

**24.** (1) The Act is amended by inserting the following section after section 771.2.5:

**“771.2.5.1.** For the purposes of section 771.2.1.2, the amount by which a corporation’s income for a taxation year from a qualified business it carries on exceeds its loss for the year from such a business must be computed as if the amounts determined under subparagraphs *a* and *b* of the second paragraph of section 737.18.17.5 in respect of the corporation for the year and the amounts determined in respect of a partnership of which it is a member at the end of a fiscal year of the partnership that ends in the year, in accordance with subparagraphs *d* and *e* of that paragraph, in relation to a large investment project of the corporation or partnership, as the case may be, within the meaning of the first paragraph of section 737.18.17.1, in respect of which the Minister of Finance issued a certificate for the corporation’s taxation year or the partnership’s fiscal period, were, in the proportion determined in the second paragraph, nil.

The proportion to which the first paragraph refers is determined by the formula

A/B.

In the formula in the second paragraph,

(a) A is 1, unless the amount that would be deductible in computing the corporation's taxable income for the year under section 737.18.17.5 if no reference were made to section 737.18.17.6 exceeds the particular amount that is deductible in computing that taxable income under section 737.18.17.5, in which case it is the particular amount; and

(b) B is 1, unless the particular amount that would be deductible in computing the corporation's taxable income for the year under section 737.18.17.5 if no reference were made to section 737.18.17.6 exceeds the amount that is deductible in computing that taxable income under section 737.18.17.5, in which case it is the particular amount."

(2) Subsection 1 applies to a taxation year that ends after 20 November 2012.

**25.** (1) Section 776.56 of the Act is amended

(1) by replacing "3/4" in paragraphs *a* and *b* by "80%";

(2) by replacing "to 3/4" in paragraph *c* by "to 80%".

(2) Subsection 1 applies from the taxation year 2013.

**26.** (1) Section 785.2.8 of the Act, enacted by section (*insert the number of the section in Bill 18 that enacts section 785.2.8 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is amended by replacing "12%" in subparagraph *a* of the first paragraph by "12.875%".

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2012.

**27.** (1) Section 1000 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1000 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended

(1) by replacing paragraph *c.1* of subsection 1 by the following paragraph:

"(c.1) at any time of which, the individual, as a specified trust or as a trust resident in Canada outside Québec in the year, other than an excluded trust for the year, owns a specified immovable or is a member of a partnership that owns a specified immovable;"

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

“(c.2) for which, as a trust, other than an excluded trust for the year, the individual deducts an amount in computing income under paragraph *a* or *b* of section 657;

“(c.3) the last day of which the individual is a trust, other than an excluded trust for the year, that is resident in Québec and at any time of which the individual owns property the total of the cost amounts of which is greater than \$250,000;

“(c.4) the last day of which the individual is a trust, other than an excluded trust for the year, that is not resident in Québec and at any time of which the individual owns property the individual uses in the operation of a business in Québec the total of the cost amounts of which is greater than \$250,000;”;

(3) by inserting the following subsections after subsection 2.1:

“(2.2) For the purposes of paragraphs *c.1* to *c.4* of subsection 1, “excluded trust” for a taxation year means

(a) a succession;

(b) a testamentary trust that is resident in Québec on the last day of the year and that owns property the total of the cost amounts of which is, throughout the year, less than \$1,000,000;

(c) a testamentary trust that is not resident in Québec on the last day of the year and that owns property situated in Québec the total of the cost amounts of which is, throughout the year, less than \$1,000,000;

(d) a unit trust;

(e) an insurer’s segregated fund trust;

(f) a mutual fund trust;

(g) a SIFT trust; or

(h) a tax-exempt trust.

“(2.3) For the purposes of paragraph *c.1* of subsection 1, each member of a partnership, at any time, is deemed to be a member of another partnership of which the first partnership is a member at that time.”

(2) Paragraphs 1 and 2 of subsection 1 and paragraph 3 of subsection 1, when it enacts subsection 2.2 of section 1000 of the Act, apply to a taxation year that begins after 20 November 2012.

(3) Paragraph 3 of subsection 1, when it enacts subsection 2.3 of section 1000 of the Act, applies to a taxation year that ends after 19 March 2012.

**28.** (1) Section 1015 of the Act is amended

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

“Where the Minister considers that the aggregate of the amounts a person referred to in the first paragraph is required to pay under this section, under sections 34 and 37.21 of the Act respecting the Régie de l’assurance maladie du Québec (chapter R-5), if section 37.21 of that Act refers to this section, under section 63 of the Act respecting the Québec Pension Plan (chapter R-9) and under section 62 of the Act respecting parental insurance (chapter A-29.011), for a particular calendar year or for the calendar year prior to that particular year, does not exceed \$2,400, the Minister may authorize the person, in respect of an amount referred to in the first paragraph and equal to an amount deducted or withheld in respect of remuneration paid by that person during that particular year, to pay that amount on or before the day on which the person would be required, but for this paragraph, to make the last payment required by this section in respect of that remuneration.”;

(2) by replacing the eighth paragraph by the following paragraph:

“The tables determining the amount to be deducted or withheld from a particular amount that is paid, allocated, granted or awarded in a taxation year are posted on the Revenu Québec website. The amount specified in the tables includes the amount to be deducted or withheld from the particular amount because of section 37.21 of the Act respecting the Régie de l’assurance maladie du Québec, if that section refers to this section.”

(2) Subsection 1 applies from the taxation year 2013.

**29.** (1) Section 1029.6.0.0.1 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1029.6.0.0.1 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended, in the second paragraph,

(1) by replacing the portion before subparagraph *b* by the following:

“For the purposes of Divisions II.4 to II.5.2, II.6 to II.6.0.8, II.6.0.10, II.6.0.11, II.6.2, II.6.4.2, II.6.5, II.6.5.3, II.6.5.6, II.6.6.1 to II.6.15 and II.22, the following rules apply:

(a) in the case of Division II.4, 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 Divisions II to II.4, or

ii. an amount deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), other than the portion of the amount that may reasonably be attributed to an amount that is a qualified expenditure, within the meaning of subsection 9 of section 127 of that Act, and that, for the purposes of that definition, is an expenditure made before 1 May 1987;”;

(2) by replacing, in subparagraph *b*,

(a) “to II.6.0.1.9” by “, II.6.0.1.8”;

(b) “II.6.4.2” by “II.6.2, II.6.4.2, II.6.5”;

(3) by replacing subparagraph *b.1* by the following subparagraph:

“(b.1) in the case of Division II.5.1, 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 deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act that may reasonably be attributed to an amount that is an apprenticeship expenditure, within the meaning of subsection 9 of section 127 of that Act;”;

(4) by inserting “, II.6.0.1.9” after “II.6.0.1.6” in the portion of subparagraph *h* before subparagraph *i*.

(2) Paragraphs 1 and 3 of subsection 1 and subparagraph *b* of paragraph 2 of that subsection apply for the purpose of determining an amount deemed to be paid to the Minister of Revenue for a taxation year that begins after 20 November 2012.

(3) Subparagraph *a* of paragraph 2 of subsection 1 and paragraph 4 of that subsection have effect from 14 March 2008.

(4) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part I of the Act, on application by a corporation, make such assessments of the corporation’s tax, interest and penalties as are necessary for any taxation year to give effect to subparagraph *a* of paragraph 2 of subsection 1, paragraph 4 of that subsection and subsection 3. 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.

**30.** (1) Section 1029.6.0.6 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1029.6.0.6 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by inserting the following subparagraph after subparagraph *b.5* of the fourth paragraph:

“(b.6) the amount of \$130,000 mentioned in section 1029.8.66.6;”.

(2) Subsection 1 applies from the taxation year 2014.

**31.** (1) Section 1029.6.0.7 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1029.6.0.7 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by inserting “b.6,” after “b.3,” in the first paragraph.

(2) Subsection 1 applies from the taxation year 2014.

**32.** (1) The Act is amended by inserting the following section after section 1029.7:

**“1029.7.0.1.** Where the taxpayer referred to in section 1029.7 is a biopharmaceutical corporation that holds, for the taxation year referred to in that section, a certificate issued in accordance with Chapter XV of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) and the taxpayer encloses, with the fiscal return the taxpayer is required to file for the year under section 1000, a copy of that certificate, the percentage of 17.5% mentioned in section 1029.7 is to be replaced by a percentage of 27.5%, to the extent that the percentage is applied to the aggregate determined under the second paragraph.

The aggregate to which the first paragraph refers is equal to the aggregate referred to in the first paragraph of section 1029.7 for the year, to the extent that the aggregate includes only the amount of the wages or of a portion of a consideration paid after 20 November 2012 and before 1 January 2018 for scientific research and experimental development work carried on in that period.”

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

**33.** (1) Section 1029.7.2 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

**“1029.7.2.** Subject to section 1029.7.2.1, where the taxpayer referred to in section 1029.7 is a corporation that has been, throughout the taxation year referred to in that section, a corporation that is not controlled, directly or indirectly in any manner whatever, by one or more persons not resident in Canada and the assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$75,000,000, the percentage of 17.5% mentioned in the first paragraph of that section is to be replaced by

the percentage determined by the following formula, to the extent that the percentage is applied to the aggregate referred to in the first paragraph of section 1029.7 which does not exceed the expenditure limit of the corporation for the year.”.

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

**34.** (1) The Act is amended by inserting the following section after section 1029.7.2:

**“1029.7.2.1.** Where the taxpayer referred to in section 1029.7 is a corporation referred to in section 1029.7.0.1 that has been, throughout the taxation year referred to in section 1029.7, a corporation that is not controlled, directly or indirectly in any manner whatever, by one or more persons not resident in Canada and the assets shown in its financial statements submitted to the shareholders or, where such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, for its preceding taxation year or, where the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than \$75,000,000, the percentage of 27.5% mentioned in the first paragraph of section 1029.7.0.1 is to be replaced by the percentage determined by the following formula, to the extent that the percentage is applied to the aggregate determined under the second paragraph of section 1029.7.0.1 which does not exceed the expenditure limit of the corporation for the year:

$$37.5\% - \{[(A - \$50,000,000) \times 10\%] / \$25,000,000\}.$$

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

Where the corporation referred to in the first paragraph is a cooperative, the first paragraph is to be read as if “submitted to the shareholders” were replaced by “submitted to the members”.

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

**35.** (1) Section 1029.7.3 of the Act is amended by replacing “For the purposes of section 1029.7.2” in the first paragraph by “For the purposes of sections 1029.7.2 and 1029.7.2.1”.

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

**36.** (1) Section 1029.7.4 of the Act is amended by replacing “For the purposes of section 1029.7.2” and “sections 1029.7.2 and 1029.7.3” by “For the purposes of sections 1029.7.2 and 1029.7.2.1” and “sections 1029.7.2 to 1029.7.3”, respectively.

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

**37.** (1) Section 1029.7.6 of the Act is amended by replacing “contemplated in section 1029.7.2” by “referred to in section 1029.7.2 or 1029.7.2.1”.

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

**38.** (1) Section 1029.7.7 of the Act is amended by replacing “For the purposes of section 1029.7.2” by “For the purposes of sections 1029.7.2 and 1029.7.2.1”.

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

**39.** (1) Section 1029.7.8 of the Act is amended by replacing “for the purposes of section 1029.7.2” by “for the purposes of sections 1029.7.2 and 1029.7.2.1”.

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

**40.** (1) Section 1029.7.9 of the Act is amended by replacing “for the purposes of section 1029.7.2” by “for the purposes of sections 1029.7.2 and 1029.7.2.1”.

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

**41.** (1) The Act is amended by inserting the following section after section 1029.7.9.1:

**“1029.7.9.2.** The following rules apply in computing the expenditure limit of a biopharmaceutical corporation referred to in section 1029.7.0.1:

(a) where the corporation’s taxation year includes 20 November 2012, its expenditure limit is deemed to be equal

i. for the purposes of section 1029.7.2.1, to the amount obtained by multiplying the corporation’s expenditure limit, determined without reference to this section, by the proportion that the amount of the wages or of a portion of a consideration referred to in the first paragraph of section 1029.7 and paid by the corporation in the taxation year but after 20 November 2012 is of the amount of the wages or of a portion of a consideration referred to in that first paragraph and paid by the corporation in the taxation year, or

ii. for the purposes of section 1029.7.2, to the amount by which the corporation’s expenditure limit, determined without reference to this section, exceeds the amount determined under subparagraph i; and

(b) where the corporation’s taxation year includes 31 December 2017, its expenditure limit is deemed to be equal

- i. for the purposes of section 1029.7.2.1, to the amount obtained by multiplying the corporation's expenditure limit, determined without reference to this section, by the proportion that the amount of the wages or of a portion of a consideration referred to in the first paragraph of section 1029.7 and paid by the corporation in the taxation year but before 1 January 2018 is of the amount of the wages or of a portion of a consideration referred to in that first paragraph and paid by the corporation in the taxation year, or
- ii. for the purposes of section 1029.7.2, to the amount by which the corporation's expenditure limit, determined without reference to this section, exceeds the amount determined under subparagraph i."

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

**42.** (1) Section 1029.8.21.2 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**43.** (1) Section 1029.8.33.9 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**44.** (1) Section 1029.8.36.0.23 of the Act is amended

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

**“1029.8.36.0.23.** Le montant auquel le premier alinéa de chacun des articles 1029.8.36.0.19 et 1029.8.36.0.20 fait référence, relativement à un salaire admissible versé dans une année d'imposition par une société à un employé admissible, est égal à l'excédent, sur le montant établi conformément au deuxième alinéa à l'égard de ce salaire, de l'ensemble des montants suivants :”;

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

“(b) the aggregate of all amounts 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, each of which is an amount of government assistance relating to the wages paid by the corporation to the employee, while the employee qualified as an eligible employee of the corporation, for a pay period ending at a time in the taxation year that is within the eligibility period of the corporation.”;

(3) by replacing the portion of the second paragraph before subparagraph *a* in the French text by the following:

“Le montant auquel le premier alinéa fait référence relativement au salaire admissible versé dans l’année d’imposition par la société à l’employé admissible est égal au moindre des montants suivants :”.

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**45.** (1) Section 1029.8.36.0.24 of the Act is amended

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

**“1029.8.36.0.24.** Le montant auquel le premier alinéa de l’article 1029.8.36.0.22 fait référence, relativement à un salaire déterminé engagé dans une année d’imposition par une société à l’égard d’un employé déterminé d’un site désigné, est égal à l’excédent, sur le montant établi conformément au deuxième alinéa à l’égard de ce salaire, de l’ensemble des montants suivants :”;

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

“(b) the aggregate of all amounts 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, each of which is an amount of government assistance relating to the wages incurred by the corporation in respect of the employee, in the specified period of the corporation for the year in respect of the designated site, while the employee qualified as a specified employee of the corporation, to the extent that the wages are paid and that they may reasonably be considered to relate to the carrying on in the year of a specified activity in relation to that site having regard to the time spent on that activity by the employee.”;

(3) by replacing the portion of the second paragraph before subparagraph *a* in the French text by the following:

“Le montant auquel le premier alinéa fait référence relativement au salaire déterminé engagé dans l’année d’imposition par la société à l’égard de l’employé déterminé est égal au moindre des montants suivants :”;

(4) by replacing the third paragraph by the following paragraph:

“For the purposes of subparagraph *b* of the first paragraph and of subparagraph *a* of the second paragraph, a specified employee who spends 90% or more of working time on a specified activity is deemed to spend all working time on that activity.”

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**46.** (1) Section 1029.8.36.28 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**47.** (1) Section 1029.8.36.59 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 20 November 2012.

**48.** (1) The Act is amended by inserting the following section after section 1029.8.36.59.14.1:

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

(2) Subsection 1 has effect from 1 January 2011.

**49.** (1) Section 1029.8.36.166.40 of the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1029.8.36.166.40 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended

(1) by replacing subparagraph i of paragraph *a* of the definition of “qualified property” in the first paragraph by the following subparagraph:

“i. in the case of a property to which paragraph *a.1* applies because of the application of subparagraph i of that paragraph, after 13 March 2008 and before 1 January 2018, but is not a property acquired pursuant to an obligation in writing entered into before 14 March 2008 or the construction of which, if applicable, by or on behalf of the purchaser, had begun by 13 March 2008, or”;

(2) by replacing paragraph *c* of the definition of “qualified property” in the first paragraph by the following paragraph:

“(c) is used solely in Québec and mainly in the course of carrying on a business, other than a recognized business in connection with which a major investment project or a large investment project, as the case may be, is carried out or is in the process of being carried out;”;

(3) by replacing the definition of “recognized business” in the first paragraph by the following definition:

““recognized business” has the meaning assigned by the first paragraph of section 737.18.14 or 737.18.17.1, as the case may be;”;

(4) by inserting the following definition in alphabetical order in the first paragraph:

““large investment project” has the meaning assigned by the first paragraph of section 737.18.17.1;”;

(5) by striking out the second paragraph.

(2) Paragraphs 1 and 5 of subsection 1 have effect from 20 November 2012.

(3) Paragraphs 2 to 4 of subsection 1 apply to a taxation year that ends after 20 November 2012.

**50.** Section 1029.8.36.166.42 of the Act is amended, in the definition of “unused portion of the tax credit”, enacted by the second paragraph of that section,

(1) by replacing “eligible expenses incurred by the corporation” in paragraph *c* by “eligible expenses of the corporation incurred”;

(2) by replacing “eligible expenses incurred by the partnership” in paragraph *d* by “eligible expenses of the partnership incurred”.

**51.** (1) Section 1029.8.36.166.45 of the Act is amended, in the first paragraph,

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

**“1029.8.36.166.45.** The rate to which subparagraph *a* of the first paragraph of sections 1029.8.36.166.43 and 1029.8.36.166.44 refers, in relation to the portion of a corporation’s eligible expenses or to a corporation’s share of the portion of a partnership’s eligible expenses, in respect of a qualified property, for a particular taxation year is”;

(2) by replacing the portion of subparagraph *b* before the formula by the following:

“(b) if the qualified property is acquired to be used mainly in one of the regional county municipalities referred to in subparagraphs i.2, i.3 and ii.2 of paragraph *b* of the definition of “resource region” in the first paragraph of section 1029.8.36.166.40, and if

i. the corporation is not deemed to have paid an amount to the Minister under Division II.6.6.6.1 for the particular taxation year and is not associated, in the particular taxation year, with another corporation that is deemed to have paid an amount to the Minister under Division II.6.6.6.1 for a taxation year that ends in the particular taxation year, the rate determined by the formula

$$35\% - [30\% \times (A - \$250,000,000)/\$250,000,000], \text{ or}$$

ii. subparagraph i does not apply to the corporation, the rate determined by the formula”;

(3) by replacing the portion of subparagraph *c* before the formula by the following:

“(c) if the qualified property is acquired to be used mainly in an administrative region referred to in subparagraph ii or iii of paragraph *a* of the definition of “resource region” in the first paragraph of section 1029.8.36.166.40 or in any of the regional county municipalities referred to in subparagraphs i, i.1, ii, ii.1 and iii to vi of paragraph *b* of that definition, and if

i. the corporation is not deemed to have paid an amount to the Minister under Division II.6.6.6.1 for the particular taxation year and is not associated, in the particular taxation year, with another corporation that is deemed to have paid an amount to the Minister under Division II.6.6.6.1 for a taxation year that ends in the particular taxation year, the rate determined by the formula

$$25\% - [20\% \times (A - \$250,000,000)/\$250,000,000], \text{ or}$$

ii. subparagraph i does not apply to the corporation, the rate determined by the formula”.

(2) Subsection 1 applies in respect of expenses incurred in respect of a qualified property acquired after 20 November 2012.

**52.** (1) Section 1029.8.36.166.62 of the Act is amended by replacing the portion of the fourth paragraph before subparagraph *a* by the following:

“Despite the first paragraph, a corporation operating an international financial centre on 30 March 2010 may be deemed to have paid an amount to the Minister under this section for all or part of a taxation year preceding 1 January 2013 only if”.

(2) Subsection 1 has effect from 31 March 2010.

**53.** (1) The Act is amended by inserting the following after section 1029.8.66.5:

## “DIVISION II.12.2

### “CREDIT FOR CHILDREN’S ACTIVITIES

“§1.—*Interpretation and general rules*

**“1029.8.66.6.** In this division,

“artistic, cultural, recreational or developmental activity” means a supervised activity, including an activity adapted for a child with an impairment, that is suitable for children (other than a physical activity) and that

(a) is intended to contribute to a child's ability to develop creative skills or expertise, acquire and apply knowledge, or improve dexterity or coordination, in an artistic or cultural discipline including

- i. literary arts,
- ii. visual arts,
- iii. performing arts,
- iv. music,
- v. media,
- vi. languages,
- vii. customs, and
- viii. heritage;

(b) provides a substantial focus on wilderness and the natural environment;

(c) assists with the development and use of intellectual skills;

(d) includes structured interaction among children where supervisors teach or assist children to develop interpersonal skills; or

(e) provides enrichment or tutoring in academic subjects;

“child with an impairment” for a taxation year means a child in respect of whom subparagraphs *a* to *c* of the first paragraph of section 752.0.14 apply for the year;

“eligible child” of an individual for a taxation year means a child of the individual who, at the beginning of the year, is at least 5 years of age and has not reached 16 years of age or, if the child is a child with an impairment for the year, 18 years of age;

“eligible expense” of an individual for a taxation year in respect of an eligible child of the individual for the year means, subject to section 1029.8.66.7, an amount paid in the year by the individual to a person, other than a person who is, when the payment is made, the individual's spouse or under 18 years of age, or to a partnership, to the extent that the amount is attributable to the cost of registration or membership of the child in a recognized program of activities offered by the person or partnership;

“eligible expenses limit” applicable for a taxation year in respect of an individual's eligible child for the year means

(a) where the child is a child with an impairment for the year, an amount equal to

- i. \$200, for the taxation year 2013,
- ii. \$400, for the taxation year 2014,
- iii. \$600, for the taxation year 2015,
- iv. \$800, for the taxation year 2016, and
- v. \$1,000, for a taxation year subsequent to 2016; and

(b) in any other case, an amount equal to

- i. \$100, for the taxation year 2013,
- ii. \$200, for the taxation year 2014,
- iii. \$300, for the taxation year 2015,
- iv. \$400, for the taxation year 2016, and
- v. \$500, for a taxation year subsequent to 2016;

“eligible spouse” of an individual for a taxation year means the person who is the individual’s eligible spouse for the year within the meaning of sections 776.41.1 to 776.41.4;

“excluded individual” for a taxation year means

(a) an individual whose family income for the year exceeds \$130,000; or

(b) an individual who 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) or that individual’s eligible spouse for the year;

“family income” of an individual for a taxation year means the aggregate of the income of the individual for the year and the income, for the year, of the individual’s eligible spouse for the year;

“physical activity” means a supervised activity that is suitable for children (other than an activity where a child rides on or in a motor vehicle as an essential component of the activity) and that

(a) where the child is a child with an impairment, enables the child to move around and observably expend energy in a recreational context; and

(b) in any other case, contributes to cardiorespiratory endurance and the development of any of the following aptitudes:

- i. muscular strength,
- ii. muscular endurance,
- iii. flexibility, and
- iv. balance;

“recognized program of activities” means

(a) a weekly program of a duration of eight or more consecutive weeks in which all or substantially all the activities include a significant amount of physical activity or artistic, cultural, recreational or developmental activity;

(b) a program of a duration of five or more consecutive days of which more than 50% of the daily activities include a significant amount of physical activity or artistic, cultural, recreational or developmental activity;

(c) a program of a duration of eight or more consecutive weeks, offered to children by a club, association or similar organization (in this definition referred to as an “entity”) in circumstances where a participant in the program may select amongst a variety of activities if

i. more than 50% of the activities offered to children by the entity are activities that include a significant amount of physical activity or artistic, cultural, recreational or developmental activity, or

ii. more than 50% of the time scheduled for activities offered to children in the program is scheduled for activities that include a significant amount of physical activity or artistic, cultural, recreational or developmental activity;

(d) a membership in an entity of a duration of eight or more consecutive weeks if more than 50% of the activities offered to children by the entity include a significant amount of physical activity or artistic, cultural, recreational or developmental activity;

(e) a portion of a program (other than a program described in paragraph c) of a duration of eight or more consecutive weeks, offered to children by an entity in circumstances where a participant may select amongst a variety of activities

i. that is the percentage of the activities offered to children by the entity that are activities that include a significant amount of physical activity or artistic, cultural, recreational or developmental activity, or

ii. that is the percentage of the time scheduled for activities in the program that is scheduled for activities that include a significant amount of physical activity or artistic, cultural, recreational or developmental activity; or

(f) a portion of a membership in an entity (other than a membership described in paragraph *d*) of a duration of eight or more consecutive weeks that is the percentage of the activities offered to children by the entity that are activities that include a significant amount of physical activity or artistic, cultural, recreational or developmental activity.

For the purposes of the definition of “physical activity” in the first paragraph, horseback riding is deemed to be an activity that contributes to cardiorespiratory endurance and the development of the aptitudes listed in subparagraphs *i* to *iv* of paragraph *b* of that definition.

For the purposes of the definition of “eligible expense” in the first paragraph, the cost of registration or membership in a program offered by a person or a partnership includes the cost to the person or partnership with respect to the program’s administration, courses, rental of required facilities, and uniforms and equipment that the participants in the program may not acquire for a price that is lower than their fair market value at the time, if any, they are so acquired, but does not include the cost of accommodation, travel, food or beverages.

For the purposes of the definition of “recognized program of activities” in the first paragraph, a child’s participation in a program or a portion of a program and the child’s membership in a club, association or similar organization must not be part of a school’s curriculum.

For the purposes of the definition of “family income” in the first paragraph, where an individual was not resident in Canada throughout a taxation year, the individual’s income for the year is deemed to be equal to the income that would be determined in respect of the individual for the year under this Part if the individual had been resident in Québec and in Canada throughout the year or, if the individual died in the year, throughout the period of the year preceding the time of death.

**“1029.3.66.7.** An individual’s eligible expense for a taxation year does not include

(a) an amount that was deducted in computing a taxpayer’s income or taxable income;

(b) an amount that was taken into account in computing

i. an amount deducted in computing an individual’s tax payable under this Part, or

ii. 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; and

(c) 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.

**“1029.8.66.8.** If the aggregate of all eligible expenses for a particular taxation year, in respect of an eligible child who is, for the particular year, a child with an impairment, each of which is an amount paid at any time in the year by an individual or by the individual's spouse at that time, is at least equal to 25% of the amount specified for the particular year in paragraph *b* of the definition of “eligible expenses limit” in the first paragraph of section 1029.8.66.6, the individual may add to the individual's eligible expenses for the particular year in respect of the child, an amount not exceeding the amount specified in that paragraph for the particular year.

If, for a taxation year, more than one individual may add to the aggregate of their respective eligible expenses an amount under the first paragraph, in respect of the same eligible child, the total of the amounts those individuals may so include under that paragraph for the year may not exceed the amount specified for the year in paragraph *b* of the definition of “eligible expenses limit” in the first paragraph of section 1029.8.66.6.

If those individuals cannot agree as to what portion of the amount they each could, under this section, include in the aggregate of their respective eligible expenses, the Minister may determine that portion of the amount for the year.

**“1029.8.66.9.** An individual who is resident in Québec at the end of 31 December of a taxation year, other than an excluded individual for the year, and who files a fiscal return under section 1000 for that year is deemed to have paid to the Minister, on the individual's balance-due day for that year, on account of the individual's tax payable for that year under this Part, an amount equal to 20% of the aggregate of all amounts each of which is, in respect of an eligible child of the individual for the year, the lesser of

(a) the aggregate of the individual's eligible expenses for the year and, if applicable, those of the individual's eligible spouse for the year, in respect of the child; and

(b) the eligible expenses limit that applies for the year in respect of the child.

For the purposes of this section, an individual who was resident in Québec immediately before the individual's death is deemed to be resident in Québec at the end of 31 December of the year in which the individual died.

An individual may be deemed to have paid an amount to the Minister under the first paragraph for a taxation year in respect of an eligible expense only if the individual holds a receipt, containing the prescribed information and constituting proof of payment of the expense, issued by the person or partnership who offered the eligible child a recognized program of activities.

An individual referred to in the first paragraph shall keep the receipts in respect of which an amount is included in computing an eligible expense during six years after the last year to which they relate.

**“1029.8.66.10.** If, for a taxation year, more than one individual may be deemed to have paid an amount to the Minister under section 1029.8.66.9 in respect of the same eligible child, the total of the amounts each of those individuals would otherwise be deemed to have paid to the Minister under that section for the year, in relation to the eligible child, may not exceed the particular amount that only one of those individuals would be deemed to have paid to the Minister under that section for the year, in relation to the eligible child, if that individual’s eligible expenses for the year were composed of all the eligible expenses, determined otherwise in respect of the eligible child, of all of those individuals for the year.

If those individuals cannot agree as to what portion of the particular amount each would be deemed to have paid to the Minister under section 1029.8.66.9, the Minister may determine what portion of that amount is deemed paid by each individual under that section.”

(2) Subsection 1 applies in respect of an amount paid after 31 December 2012 in relation to activities offered after that date.

**54.** (1) Section 1029.8.79 of the Act is amended by replacing “paragraph *c*” in subparagraphs *b* and *c* of the first paragraph by “paragraph *d*”.

(2) Subsection 1 applies from the taxation year 2013.

**55.** Section 1029.8.116.2.1 of the Act is replaced by the following section:

**“1029.8.116.2.1.** For the purposes of paragraph *a* of the definition of “work income” in section 1029.8.116.1, the income of an individual for a taxation year from a previous office or employment is deemed to be equal to zero, if each of the amounts that make up the income is the value of a benefit received or enjoyed by the individual in the year because of that office or employment.”

**56.** Section 1029.8.117 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of paragraph *c* of the definition of “eligible individual” in the first paragraph, the income of an individual for a taxation year from a previous office or employment is deemed to be equal to zero, if each of the

amounts that make up the income is the value of a benefit received or enjoyed by the individual in the year because of that office or employment.”

**57.** Section 1079.5 of the Act is amended by replacing the portion of paragraph *c* before subparagraph *i* by the following:

“(c) on every written statement that refers either directly or indirectly and either expressly or implicitly to the issuance by the Minister of an identification number for the tax shelter, as well as on the copy of the portion of the information return to be forwarded pursuant to section 1079.7.3, prominently display”.

**58.** Section 1079.7.3 of the Act is amended by replacing “two copies” by “a copy”.

**59.** (1) Section 1098 of the Act is amended by replacing “12%” by “12.875%”.

(2) Subsection 1 applies in respect of a disposition that an individual proposes to make after 31 December 2012.

**60.** (1) Section 1100 of the Act is amended by replacing “12%” by “12.875%”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2012.

**61.** (1) Section 1101 of the Act is amended by replacing “12%” in subparagraph *a* of the first paragraph by “12.875%”.

(2) Subsection 1 applies in respect of a disposition that occurs after 31 December 2012.

**62.** (1) The Act is amended by inserting the following section after section 1129.0.9.1:

**“1129.0.9.1.1.** For the purposes of Part I, except Division II.4 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time under this Part, in relation to an expenditure, is deemed to be an amount of assistance repaid at that time in respect of the expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.0.3, 1129.0.5, 1129.0.7 or 1129.0.9, as the case may be, if the tax arises from an amount directly or indirectly refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the taxpayer, in any other case.”

(2) Subsection 1 applies in respect of an amount deemed to be repaid in relation to an expenditure incurred in a taxation year that begins after 20 November 2012.

**63.** (1) The Act is amended by inserting the following section after section 1129.0.10.9:

**“1129.0.10.9.1.** For the purposes of Part I, except for Division II.4 of Chapter III.1 of Title III of Book IX, the following rules apply:

(a) tax paid to the Minister by a taxpayer at any time under any of sections 1129.0.10.2, 1129.0.10.4 and 1129.0.10.8, in relation to a particular property of the taxpayer, is deemed to be an amount of assistance repaid by the taxpayer at that time in respect of the property, pursuant to a legal obligation; and

(b) tax paid to the Minister by a taxpayer at any time under any of sections 1129.0.10.3, 1129.0.10.5 and 1129.0.10.9, in relation to a particular property of a partnership of which the taxpayer is a member, is deemed to be an amount of assistance repaid by the partnership at that time in respect of the property, pursuant to a legal obligation.”

(2) Subsection 1 applies in respect of tax paid in relation to a property acquired in a taxation year that begins after 20 November 2012.

**64.** (1) The Act is amended by inserting the following section after section 1129.40:

**“1129.40.1.** For the purposes of Part I, except Division II.5.1 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a taxpayer at any time under this Part, in relation to a qualified expenditure, is deemed to be an amount of assistance repaid at that time in respect of the expenditure, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.40, in the case of tax paid under that section; or

(b) the taxpayer, in any other case.”

(2) Subsection 1 applies in respect of an amount deemed to be repaid in relation to an expenditure incurred in a taxation year that begins after 20 November 2012.

**65.** (1) The Act is amended by inserting the following section after section 1129.44.2:

**“1129.44.2.1.** For the purposes of Part I, except Division II.6.2 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under this Part, in relation to an expenditure or wages incurred, as

the case may be, is deemed to be an amount of assistance repaid at that time in respect of the expenditure or wages, pursuant to a legal obligation, by

(a) the partnership referred to in section 1129.44 or 1129.44.2, as the case may be, if the tax arises from an amount directly or indirectly, refunded or otherwise paid to that partnership or allocated to a payment required to be made by it; or

(b) the corporation, in any other case.”

(2) Subsection 1 applies in respect of an amount deemed to be repaid in relation to an expenditure incurred in a taxation year that begins after 20 November 2012.

**66.** (1) The Act is amended by inserting the following section after section 1129.45.2.1:

**“1129.45.2.2.** For the purposes of Part I, except Division II.6.5 of Chapter III.1 of Title III of Book IX, tax paid to the Minister by a corporation at any time under section 1129.45.2 or 1129.45.2.1, in relation to an expenditure, is deemed to be an amount of assistance repaid by the corporation at that time in respect of the expenditure, pursuant to a legal obligation.”

(2) Subsection 1 applies in respect of an amount deemed to be repaid in relation to an expenditure incurred in a taxation year that begins after 20 November 2012.

**67.** (1) Section 1129.68 of the Act is amended by replacing “24%” in the first paragraph by “25.75%”.

(2) Subsection 1 applies from the taxation year 2013.

**68.** (1) Section 1129.78 of the Act, enacted by section (*insert the number of the section in Bill 18 that enacts section 1129.78 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is amended by replacing “5.3%” in the first paragraph by “7.05%”.

(2) Subsection 1 applies from the taxation year 2013.

**69.** Section 1159.2 of the Act is replaced by the following section:

**“1159.2.** Every person that is a financial institution at any time in a taxation year that begins before 1 April 2019 shall pay a compensation tax for that year.”

**70.** (1) Section 1159.3 of the Act is amended

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

**“1159.3.** Subject to the first paragraph of sections 1159.3.1 and 1159.3.2, the compensation tax a person referred to in section 1159.2 is required to pay for a taxation year is equal to,”;

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

“However, subject to the second paragraph of sections 1159.3.1 and 1159.3.2, if a person is not a financial institution throughout its taxation year, the compensation tax the person is required to pay for the year is equal to,”;

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

“For the purposes of the second paragraph, where a person is a financial institution, with the exception of a corporation that is deemed to be a financial institution by reason of an election made by it under section 297.0.2.1 of the Act respecting the Québec sales tax (chapter T-0.1), at any time in its taxation year, it is deemed to be such an institution throughout the period commencing at that time and ending on the last day of its taxation year.”

(2) Subsection 1 applies from 1 January 2013.

**71.** (1) Section 1159.3.1 of the Act is amended

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

**“1159.3.1.** If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends before 1 January 2013 and is included, in whole or in part, in the period beginning on 31 March 2010 and ending on 31 December 2012 (in this section referred to as the “rate increase period”), the following rules apply:”;

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

“If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends before 1 January 2013 and is included, in whole or in part, in the rate increase period, the following rules apply:”.

(2) Subsection 1 has effect from 1 January 2013.

**72.** (1) The Act is amended by inserting the following section after section 1159.3.1:

**“1159.3.2.** If the taxation year for which a compensation tax is computed under the first paragraph of section 1159.3 ends after 31 December 2012, the following rules apply:

(a) subparagraphs i and ii of subparagraph *a* of the first paragraph of section 1159.3 are to be read as follows:

“i. the proportion of 0.25% of its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, that the number of days in its taxation year that precede 1 January 2013 is of the number of days in its taxation year, and

“ii. the aggregate of 2.8% of the amount paid as wages in the part of the year that is included, in whole or in part, in the period beginning on 1 January 2013 and ending on 31 March 2019 (in this section referred to as the “temporary contribution period”) and 3.9% of the amount paid as wages in the part of the year that is not included in that period and that precedes 1 April 2019;”;

(b) the rate mentioned in subparagraphs i and ii of subparagraph *b*, in subparagraph ii of subparagraph *d* and in subparagraph *d.1* of the first paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year that are included in the period beginning on 1 January 2013 and ending on 31 March 2019 (in this section referred to as the “temporary contribution period”) is of the number of days in the taxation year, and

ii. the proportion of 0.55% that the number of days in the taxation year that are not included in the temporary contribution period and that precede 1 April 2019 is of the number of days in the taxation year;

(c) subparagraph *c* of the first paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 2.2% of the amount paid as wages in the part of the year that is included in the temporary contribution period and 3.8% of the amount paid as wages in the part of the year that is not included in that period and that precedes 1 April 2019;” and

(d) subparagraph *e* of the first paragraph of section 1159.3 is to be read as follows:

“(e) in the case of any other person, the aggregate of 0.9% of the amount paid as wages in the part of the year that is included in the temporary contribution period and 1.5% of the amount paid as wages in the part of the year that is not included in that period and that precedes 1 April 2019.”

If the taxation year for which a compensation tax is computed under the second paragraph of section 1159.3 ends after 31 December 2012, the following rules apply:

(a) subparagraphs i and ii of subparagraph *a* of the second paragraph of section 1159.3 are to be read as follows:

“i. the proportion of 0.25% of its paid-up capital as established for the year under Title II of Book III of Part IV, computed without reference to sections 1141.3 to 1141.11, that the number of days in its taxation year during which it was a financial institution that precede 1 January 2013 is of the number of days in its taxation year, and

“ii. 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 3.9% 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 not included in that period and that precede 1 April 2019;”;

(b) the rate mentioned in subparagraphs i and ii of subparagraph *b* and in subparagraph ii of subparagraph *d* of the second paragraph of section 1159.3 is replaced by a rate equal to the total of

i. the proportion of 0.3% that the number of days in the taxation year during which the person was a financial institution that are included in the temporary contribution period is of the number of days in the taxation year during which the person was a financial institution, and

ii. the proportion of 0.55% that the number of days in the taxation year during which the person was a financial institution that are not included in the temporary contribution period and that precede 1 April 2019 is of the number of days in the taxation year during which the person was a financial institution;

(c) subparagraph *c* of the second paragraph of section 1159.3 is to be read as follows:

“(c) in the case of a savings and credit union, subject to subparagraph *d*, the aggregate of 2.2% 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 3.8% 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 not included in that period and that precede 1 April 2019;”;

(d) subparagraph *e* of the second paragraph of section 1159.3 is to be read as follows:

“(e) in the case of any other person, except a professional order that has set up an insurance fund, in accordance with section 86.1 of the Professional Code,

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 1.5% 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 not included in that period and that precede 1 April 2019.””

(2) Subsection 1 applies from 1 January 2013.

(3) In addition, in applying subparagraph i of subparagraph *a* of the first paragraph of section 1027 of the Act and subparagraph 1 of subparagraph iii of that subparagraph *a*, for the purpose of computing the amount of a payment that a corporation is required to make under that subparagraph *a* for a particular taxation year that ends after 31 December 2012 and that 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 corporation’s estimated tax or tax payable, as the case may be, for that taxation year

(1) must, in respect of a payment that the corporation is required to make before 1 January 2013, be determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*); and

(2) is, in respect of a payment that the corporation is required to make after 31 December 2012,

(*a*) where the corporation is not, at the time of the payment, a qualified Canadian-controlled private corporation, within the meaning of section 1027.0.1 of the Act, deemed to be equal to the amount by which the estimated tax or tax payable, as the case may be, determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*) exceeds the product obtained by multiplying the amount by which the estimated tax or tax payable, as the case may be, determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*) exceeds the estimated tax or tax payable, as the case may be, determined without reference to this subsection, by the proportion that 12 is of the number of payments that the corporation is required to make after 31 December 2012 for the taxation year under subparagraph *a* of the first paragraph of section 1027 of the Act, or

(*b*) where the corporation is, throughout the year, a qualified Canadian-controlled private corporation, within the meaning of section 1027.0.1 of the Act, deemed to be equal to the amount by which the estimated tax or tax payable, as the case may be, determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*) exceeds the product obtained by multiplying the amount by which the estimated tax or tax payable, as the case may be, determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*) exceeds the estimated

tax or tax payable, as the case may be, determined without reference to this subsection, by the proportion that 4 is of the number of payments that the corporation is required to make after 31 December 2012 for the taxation year under subparagraph *a* of the first paragraph of section 1027 of the Act.

(4) In addition, in applying subparagraph *a* of the third paragraph of section 1027 of the Act, enacted by paragraph *b* of section 1027.0.3 of the Act, for the purpose of computing the amount of a payment that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027 of the Act for a particular taxation year that ends after 31 December 2012 and that includes that date, where the corporation ceases to be able to avail itself of subparagraph iii of subparagraph *a* of the first paragraph of section 1027 of the Act, at a particular time of that taxation year, 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 January 2013, be determined without reference to this section and section (*insert the number of the section in this Act that amends section 1159.3.1 of the Taxation Act*); and

(2) subparagraphs *b* and *c* of the third paragraph of section 1027 of the Act, enacted by paragraph *b* of section 1027.0.3 of the Act, are, in respect of a payment that the corporation is required to make after 31 December 2012 or, if it is later, the particular time, to be read as follows:

“(b) B is the aggregate of the payments that the corporation was required to make in the taxation year and before 1 January 2013 or, if it is later, the particular time referred to in section 1027.0.3, in accordance with subparagraph iii of subparagraph *a* of the first paragraph; and

“(c) C is the number of months in the taxation year that end after 31 December 2012 or, if it is later, the particular time referred to in section 1027.0.3.”

**73.** (1) Section 1159.17 of the Act is replaced by the following section:

**“1159.17.** Where a person referred to in section 1171 is, at the time of the making of the insurance contract referred to in that section, a financial institution, the person shall, when filing the notice referred to in subsection 1 of that section, pay to the Minister a compensation tax equal to the percentage, specified in the second paragraph, of the amount of the premium payable by the person and in respect of which a tax must be paid under that section.

The percentage to which the first paragraph refers is equal to

(a) 0.35% in respect of a premium payable by a person before 31 March 2010;

(b) 0.55% in respect of a premium payable by a person during the period beginning on 31 March 2010 and ending on 31 December 2012;

(c) 0.3% in respect of a premium payable by a person during the period beginning on 1 January 2013 and ending on 31 March 2019; or

(d) 0% in respect of a premium payable by a person after 31 March 2019.”

(2) Subsection 1 has effect from 31 March 2010.

#### ACT RESPECTING THE MINISTÈRE DE LA SANTÉ ET DES SERVICES SOCIAUX

**74.** (1) Section 11.3 of the Act respecting the Ministère de la Santé et des Services sociaux (chapter M-19.2) is amended

(1) by inserting the following paragraph after paragraph 1:

“(1.1) the money transferred to it by the Minister of Finance, at the intervals that Minister determines, out of the money credited to the general fund and corresponding to the amount by which the money collected by the Minister of Revenue under the Taxation Act (chapter I-3) exceeds the money that would be so collected if section 750 of that Act were read without reference to its paragraph *d* and if paragraph *c* of that section were read without reference to “the lesser of \$100,000 and”;”;

(2) by replacing paragraph 5 by the following paragraph:

“(5) the interest earned on bank balances in proportion to the amounts referred to in paragraphs 1, 1.1 and 4.”

(2) Subsection 1 applies from the fiscal year 2013–2014.

#### ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

**75.** (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1), amended by section *(insert the number of the section in Bill 18 that amends section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures)* of chapter *(insert the chapter number of that bill)* of the statutes of *(insert the year of assent to that bill)*, is again amended by adding the following paragraph after paragraph 13:

“(14) the tax credit for scientific research and experimental development work carried on by a biopharmaceutical corporation provided for in sections 1029.7, 1029.7.0.1 and 1029.7.2.1 of the Taxation Act.”

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

**76.** (1) Section 13.3 of Schedule A to the Act is amended by replacing the third paragraph by the following paragraph:

“The certificate also specifies, if applicable,

(1) the proportion of the corporation’s gross revenue deriving from activities described in subparagraphs 5 and 7 of the first paragraph of section 13.5 that is attributable to applications developed by the corporation to be used exclusively outside Québec; and

(2) the proportion of the corporation’s gross revenue deriving from activities described in subparagraphs 8 and 9 of the first paragraph of section 13.5 that is ultimately attributable to applications developed, in the course of activities described in subparagraphs 5 and 7 of the first paragraph of section 13.5, to be used exclusively outside Québec.”

(2) Subsection 1 applies to a taxation year that begins after 21 December 2012.

(3) Subsection 1 also applies to a corporation’s taxation year that includes 21 December 2012 if the corporation makes the election under subsection 3 of section (*insert the number of the section in this Act that amends section 13.6 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*) of this Act. However, in its application to the corporation for that taxation year, the third paragraph of section 13.3 of Schedule A to the Act, enacted by subsection 1, is to be read as if “activities described in subparagraphs 5 and 7” was replaced wherever it appears by “activities described in subparagraph 7”.

**77.** (1) Section 13.5 of Schedule A to the Act is amended

(1) by inserting the following subparagraph after subparagraph 2 of the first paragraph:

“(2.1) semiconductor and other electronic component manufacturing activities included in the group described under NAICS code 334410;”;

(2) by replacing subparagraphs 1 and 2 of the second paragraph by the following subparagraphs:

“(1) any activity that, but for this subparagraph, would be described in subparagraph 8 or 9 of the first paragraph and that consists in providing employees who do not mainly carry on activities described in subparagraphs 1 to 7 of that paragraph; and

“(2) any other activity that, but for this subparagraph, would be described in subparagraph 8 or 9 of the first paragraph, if, for the taxation year or the part of year concerned, the corporation’s gross revenue deriving from the set of its activities that would be described in those subparagraphs if no reference was made to this paragraph and no account was taken of the corporation’s

employment placement agency and executive search activities included in the group described under NAICS code 561310, is equal to or greater than the corporation's gross revenue deriving from the set of its activities described in subparagraphs 5 and 7 of the first paragraph.”

(2) Paragraph 1 of subsection 1 applies to a taxation year that ends after 21 December 2012.

(3) Paragraph 2 of subsection 1 applies to a taxation year that begins after 21 December 2012.

(4) Paragraph 2 of subsection 1 applies also to a corporation's taxation year that includes 21 December 2012 if the corporation makes the election under subsection 3 of section *(insert the number of the section in this Act that amends section 13.6 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures)* of this Act.

**78.** (1) Section 13.6 of Schedule A to the Act is amended

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

“**13.6.** The criterion relating to services provided is met if at least 75% of the corporation's gross revenue deriving from activities described in subparagraphs 5 and 7 to 9 of the first paragraph of section 13.5 is attributable to the following services:

(1) in relation to services provided by the corporation as part of activities described in those subparagraphs 5 and 7, services

(a) whose ultimate beneficiary is a person or a partnership with whom the corporation is dealing at arm's length, or

(b) that relate to an application developed by the corporation and used exclusively outside Québec; and

(2) in relation to services provided by the corporation to a particular person or a particular partnership as part of activities described in those subparagraphs 8 and 9, such services to the extent that the corporation's gross revenue deriving from the activities described in those subparagraphs 8 and 9 that are related to those services

(a) ultimately relates to an application that results from activities described in those subparagraphs 5 and 7 and that has been developed for the benefit of the particular person or particular partnership as part of activities described in those subparagraphs 8 and 9, or for the benefit of another person or partnership to whom the particular person or particular partnership provides services as part of activities described in those subparagraphs 8 and 9, and

(b) is ultimately attributable to the following services provided as part of activities described in those subparagraphs 5 and 7:

i. services whose ultimate beneficiary is a person or partnership with whom the corporation is dealing at arm's length, and

ii. services that relate to an application developed by the corporation, or by the particular person or particular partnership, as the case may be, and used exclusively outside Québec.”;

(2) by replacing the third paragraph by the following paragraph:

“For the purposes of subparagraph *a* of subparagraph 1 of the first paragraph, the particular person or partnership who directly or indirectly uses the applications developed by a corporation following the provision of services by the corporation to a person or a partnership as part of activities described in subparagraphs 5 and 7 of the first paragraph of section 13.5, not the customers of the particular person or partnership, is considered to be the ultimate beneficiary of those services.”;

(3) by inserting the following paragraph after the third paragraph:

“For the purposes of subparagraph *i* of subparagraph *b* of subparagraph 2 of the first paragraph, the particular person or partnership who directly or indirectly uses the applications developed by a person or a partnership following the provision of services as part of activities described in subparagraphs 5 and 7 of the first paragraph of section 13.5, not the customers of the particular person or partnership, is considered to be the ultimate beneficiary of the services a corporation provides to a person or a partnership as part of activities described in subparagraphs 8 and 9 of the first paragraph of section 13.5.”;

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

“For the purposes of the sixth paragraph, a “significant influence” deriving from a particular agreement means an influence deriving from an agreement that is a franchise, licence, lease, distribution, supply or management agreement or other similar agreement or arrangement the main purpose of which is to govern the relationship between a particular person or partnership and another person or partnership with regard to the carrying on of the business of the other person or partnership, such that, were the influence exercised, the particular person or partnership would, in fact, control the other person or partnership.”

(2) Subsection 1 applies to a taxation year that begins after 21 December 2012.

(3) Subsection 1 also applies to a corporation's taxation year that includes 21 December 2012 if the corporation so elects in writing and files the election with Investissement Québec at the same time as its application for the corporation certificate it must obtain for the year for the purposes of Chapter XIII of Schedule A to the Act. However, in its application to the corporation for that taxation year,

(1) the portion of the first paragraph of section 13.6 of Schedule A to the Act before subparagraph 1, enacted by subsection 1, is to be read as if “activities described in subparagraphs 5 and 7 to 9” was replaced by “activities described in subparagraphs 7 to 9”;

(2) subparagraphs 1 and 2 of the first paragraph of section 13.6 of Schedule A to the Act, enacted by subsection 1, are to be read as if “activities described in those subparagraphs 5 and 7” was replaced wherever it appears by “activities described in that subparagraph 7”; and

(3) the third and fourth paragraphs of section 13.6 of Schedule A to the Act, enacted by subsection 1, are to be read as if “activities described in subparagraphs 5 and 7” was replaced by “activities described in subparagraph 7”.

**79.** (1) Schedule A to the Act is amended by adding the following after section 14.4:

## **“CHAPTER XV**

### **“SECTORAL PARAMETERS OF TAX CREDIT FOR SCIENTIFIC RESEARCH AND EXPERIMENTAL DEVELOPMENT WORK CARRIED ON BY A BIOPHARMACEUTICAL CORPORATION**

#### **“DIVISION I**

##### **“INTERPRETATION AND GENERAL**

**“15.1.** In this chapter, unless the context indicates otherwise, “tax credit for scientific research and experimental development work carried on by a biopharmaceutical corporation” means the fiscal measure provided for in sections 1029.7.0.1 and 1029.7.2.1 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 section 1029.7 for a taxation year.

**“15.2.** To benefit from the tax credit for scientific research and experimental development work carried on by a biopharmaceutical corporation, a corporation must obtain from Investissement Québec a qualification certificate in respect of the activities it carries on or will carry on and a certificate in respect of the activities it carries on.

The certificate must be obtained for each taxation year for which the corporation intends to avail itself of the tax credit for scientific research and experimental development work carried on by a biopharmaceutical corporation.

If, at a particular time, Investissement Québec revokes a qualification certificate issued to a corporation, any certificate issued to the corporation for the taxation year that includes the date on which the revocation becomes effective or for a subsequent taxation year is deemed to be revoked by Investissement Québec at that time. In such a case, the effective date of the

deemed revocation is the date of coming into force of the certificate that is deemed to be revoked.

## **“DIVISION II**

### **“QUALIFICATION CERTIFICATE AND CERTIFICATE**

**“15.3.** A qualification certificate issued to a corporation under this chapter certifies that the activities specified in the qualification certificate and that the corporation carries on or will carry on are recognized as eligible activities.

**“15.4.** The following human health-related activities are eligible activities:

(1) integrated innovative pharmaceuticals (patented products) that consist in manufacturing and commercializing drugs as well as carrying out drug-related activities in the form of basic research, product development, clinical research or chemical synthesis;

(2) generic pharmaceutical manufacturing that consists in manufacturing and commercializing generic versions of prescription or non-prescription drugs whose patents have expired;

(3) contract pharmaceutical manufacturing that consists in manufacturing drugs for innovative pharmaceutical businesses, generic products businesses or large buyers;

(4) biotechnology that comprises

(a) therapeutic products, namely those that derive from drug research and development essentially targeting the small-molecule market rather than biological products, or that consist in devising methods of administering drugs in an organism or in developing cellular therapies,

(b) diagnostic products,

(c) biological processes, namely those that consist in producing drugs or vaccines, producing pharmaceutical proteins through the culture of genetically modified cells, developing genetically modified organisms for the production of drugs or in extracting active drug ingredients from natural sources, and

(d) pharmaceutical research, which consists in using genetic information to define targets for drug action or in offering products and services in genomics research; and

(5) contract research that consists in providing services in developing new drugs, such as bioequivalence studies, preclinical and clinical trials and the management of studies.

**“15.5.** A certificate issued to a corporation certifies that the activities it carried on throughout the taxation year for which the application for the certificate was filed are activities mentioned in the qualification certificate the corporation has obtained.

**“15.6.** Investissement Québec may issue a certificate to a corporation if, for the taxation year for which the application for the certificate is filed,

(1) the qualification certificate issued to the corporation was valid; and

(2) Investissement Québec is of the opinion that the activities specified in the corporation’s qualification certificate represented at least 75% of the activities it carried on throughout that taxation year.

For the purposes of subparagraph 2 of the first paragraph, Investissement Québec shall take into consideration the duties performed by all of the corporation’s employees and the activities that were carried on on its behalf in that taxation year.

**“15.7.** Investissement Québec may, before issuing a qualification certificate or a certificate under this chapter or before amending or revoking such a document, obtain the advice of the Ministère de l’Enseignement supérieur, de la Recherche, de la Science et de la Technologie.”

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

**80.** (1) Section 1.1 of Schedule E to the Act, amended by section (*insert the number of the section in Bill 18 that amends section 1.1 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by adding the following paragraph after paragraph 6:

“(7) the tax holidays relating to the carrying out of a large investment project provided for in sections 737.18.17.1 to 737.18.17.12 of the Taxation Act and sections 33, 34, 34.1.0.3 and 34.1.0.4 of the Act respecting the Régie de l’assurance maladie du Québec.”

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

**81.** (1) Section 4.3 of Schedule E to the Act is amended

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

“Subject to subparagraph 4 of the first paragraph of section 4.4, the Minister may not issue an initial certificate in respect of an investment project unless the application for such a certificate was filed with the Minister in writing before 12 June 2003. In addition, the Minister may not issue an initial certificate to which such an application relates after 19 November 2012.”;

(2) by inserting the following paragraphs after the fourth paragraph:

“The application for an annual certificate must be filed with the Minister within 15 months after the end of the corporation’s taxation year, or the partnership’s fiscal period, in which the calendar year for which it is made begins. However, the Minister may, if the Minister considers that the circumstances so warrant, accept such an application despite the expiry of the time limit, provided the application is filed on or before the last day of the eighteenth month after the end of the taxation year or fiscal period concerned.

The application for an annual certificate that concerns a calendar year beginning in a taxation year or fiscal period that ends before 20 November 2012 is admissible, despite the fifth paragraph, until 19 February 2014.”;

(3) by replacing “Similarly, the Minister may not” in the fifth paragraph by “The Minister may not”.

(2) Subsection 1 has effect from 20 November 2012.

**82.** (1) Schedule E to the Act is amended by adding the following after section 7.8, enacted by section *(insert the number of the section in Bill 18 that enacts section 7.8 of Schedule E to the Act respecting the sectoral parameters of certain fiscal measures)* of chapter *(insert the chapter number of that bill)* of the statutes of *(insert the year of assent to that bill)*:

## “CHAPTER VIII

### “SECTORAL PARAMETERS OF FISCAL MEASURES RELATING TO CARRYING OUT OF A LARGE INVESTMENT PROJECT

#### “DIVISION I

##### “INTERPRETATION AND GENERAL

“**8.1.** In this chapter, unless the context indicates otherwise,

“start-up period” of an investment project means the 48-month period that begins on the date on which the qualification certificate referred to in the first paragraph of section 8.3 was issued to a corporation or a partnership in relation to the project;

“tax-free period” of a corporation or a partnership, in relation to an investment project, means the 10-year period that begins on the date specified for that purpose by the Minister in the first certificate referred to in the second paragraph of section 8.3 that is issued to the corporation or partnership in respect of the project;

“tax holiday relating to the carrying out of a large investment project” means any of the following fiscal measures from which a corporation holding a qualification certificate referred to in the first paragraph of section 8.3, a corporation that is a member of a partnership holding such a qualification certificate or, if the measure is the measure described in paragraph 2, any other person who is a member of such a partnership, may benefit:

(1) the fiscal measure provided for in Title VII.2.3.1 of Book IV of Part I of the Taxation Act, under which the corporation may deduct an amount in computing its taxable income for a taxation year; and

(2) the fiscal measure provided for in sections 33, 34, 34.1.0.3 and 34.1.0.4 of the Act respecting the Régie de l’assurance maladie du Québec, which allows the corporation or the other person to obtain a contribution exemption under subparagraph *d.1* of the seventh paragraph of section 34 of that Act.

**“8.2.** For the purposes of this Act and despite sections 1175.28.15 and 1175.28.17 of the Taxation Act, every person who is a member of a partnership holding the qualification certificate referred to in the first paragraph of section 8.3 is considered to be the person benefiting from or availing himself, herself or itself of the fiscal measure described in paragraph 2 of the definition of “tax holiday relating to the carrying out of a large investment project” in section 8.1, according to the agreed proportion in respect of the person for the fiscal period of the partnership that ends in the person’s taxation year for which the measure applies.

**“8.3.** To benefit from a tax holiday relating to the carrying out of a large investment project, in respect of an investment project, a corporation or, if it claims the tax holiday as a member of a partnership, the partnership must obtain a qualification certificate in respect of the project (in this chapter referred to as an “initial qualification certificate”) from the Minister.

In addition, the corporation or partnership must, for that purpose, obtain a certificate in respect of the investment project (in this chapter referred to as an “annual certificate”) from the Minister. Such a certificate must be obtained, as applicable, for each taxation year in which the corporation intends to claim, in respect of the project, a tax holiday relating to the carrying out of a large investment project, or for each fiscal period of the partnership that ends in such a taxation year, provided that the year or fiscal period is included in whole or in part in the corporation’s or partnership’s tax-free period in relation to the project.

The documents referred to in the first and second paragraphs that are obtained by a partnership are also required in order for a person, other than a corporation, who is a member of the partnership to avail himself, herself or itself of the fiscal measure referred to in paragraph 2 of the definition of “tax holiday relating to the carrying out of a large investment project” in section 8.1.

Subject to subparagraph 4 of the first paragraph of section 8.4, the Minister may issue an initial qualification certificate in respect of an investment project only if the application for such a certificate was filed with the Minister in writing before the investment project began to be carried out and on or before 20 November 2015.

The corporation's or partnership's financial commitments in respect of an investment project are taken into account in determining the date on which the project began to be carried out. However, commitments related to market or feasibility studies are not sufficient in themselves to consider that the investment project has begun to be carried out.

An application for an annual certificate must be filed with the Minister within 15 months after the end of the taxation year or fiscal period for which it is made.

However, where the Minister considers that the circumstances so warrant, the Minister may grant such an application despite the expiry of that time limit, provided that the application is filed on or before the last day of the eighteenth month following the end of the taxation year or fiscal period concerned.

The Minister may not issue an annual certificate to a corporation or a partnership in respect of an investment project for a particular taxation year or fiscal period unless, at the time the annual certificate is to be issued, the initial qualification certificate that the corporation or partnership holds in respect of the project is still valid.

If, at a particular time, the Minister revokes the initial qualification certificate issued to a corporation or a partnership in respect of an investment project, any annual certificate issued to the corporation or partnership in respect of the project for a taxation year or fiscal period that is subsequent to the given taxation year or fiscal period that includes the effective date of the revocation is deemed to be revoked by the Minister at that time. In such a case, the effective date of the deemed revocation is the date of coming into force of the certificate that is deemed to be revoked. The annual certificate issued in respect of the project for the given taxation year or fiscal period is also deemed to be revoked by the Minister at that time, except that the effective date of the deemed revocation is the date specified in the notice of revocation of the initial qualification certificate.

**“8.4.** If, at any given time in a particular taxation year or fiscal period, a corporation or partnership acquires from another corporation or partnership (in this section referred to as the “transferee” and the “transferor”, respectively) all or substantially all of the part that is carried on in Québec of the business in connection with which are carried on activities arising from the carrying out of an investment project that has been referred to in a first annual certificate and in respect of which the transferor holds a valid initial qualification certificate and, for the purposes of this chapter, the Minister agrees to the transfer of the carrying out of the investment project to the transferee, the following rules apply:

(1) the initial qualification certificate issued to the transferor is deemed to be revoked from that time;

(2) the annual certificate issued to the transferor in respect of the project for the particular year or fiscal period is also deemed to be revoked from that time;

(3) the first annual certificate issued or deemed, because of the application of this subparagraph, to have been issued to the transferor in respect of the project is, for the purposes of the definition of “tax-free period” in section 8.1 and of the first paragraph of section 8.10, deemed to have been issued to the transferee; and

(4) the Minister must issue an initial qualification certificate to the transferee in respect of the project, which comes into force at that time.

The Minister may agree to the transfer of the carrying out of the investment project to the transferee if the transferee undertakes to continue in Québec the carrying out of all or substantially all of the project as submitted to and approved by the Minister at the time of the transfer.

If the Minister issued a particular initial qualification certificate to a transferee under subparagraph 4 of the first paragraph in relation to the acquisition (in this paragraph referred to as the “particular acquisition”) by the transferee, at a given time, of all or substantially all of the part that is carried on in Québec of the particular business in connection with which activities arising from the carrying out of the investment project in respect of which that qualification certificate was issued are carried on and if, at a time subsequent to the given time, the Minister revokes or is deemed, because of the application of this paragraph, to have revoked the initial qualification certificate that was issued to the transferor involved in the particular acquisition, in respect of the project, the particular qualification certificate is also deemed to have been revoked by the Minister at that subsequent time. The effective date of the deemed revocation is the date of coming into force of the particular qualification certificate.

## **“DIVISION II**

### **“INITIAL QUALIFICATION CERTIFICATE**

**“8.5.** An initial qualification certificate issued to a corporation or a partnership states that the investment project referred to in the certificate will likely be recognized as a large investment project.

Where the qualification certificate is issued under subparagraph 4 of the first paragraph of section 8.4, it also specifies that the Minister authorizes the transfer of the carrying out of the investment project to the corporation or partnership and states the date of the beginning of the tax-free period, in relation to the project, that is mentioned in the first annual certificate that was obtained in its

respect and that is deemed to have been issued to the corporation or partnership under subparagraph 3 of the first paragraph of that section.

**“8.6.** The Minister issues an initial qualification certificate in respect of an investment project to a corporation or a partnership if

(1) the project is to be carried out after 20 November 2012 and the corporation or partnership shows, to the Minister’s satisfaction, that the activities arising from the project will be carried on in Québec;

(2) subject to the second paragraph, the project concerns activities in

(a) the manufacturing sector described under codes 31 to 33 of the North American Industry Classification System (NAICS)-Canada, as amended from time to time and published by Statistics Canada, which code is in this subparagraph 2 referred to as the “NAICS code”,

(b) the wholesale trade sector described under NAICS code 41,

(c) the warehousing and storage group described under NAICS code 4931, or

(d) the data processing, hosting, and related services subsector described under NAICS code 518; and

(3) the corporation or partnership shows, to the Minister’s satisfaction, that it is likely that, as a result of the carrying out of the project, not later than the end of the start-up period of the project, the total capital investments attributable to its carrying out, determined in accordance with section 8.7, will be at least \$300,000,000.

Mineral substance processing activities are excluded from the activities described in subparagraph 2 of the first paragraph.

Any mineral substance concentration activity, including any pelletization, as well as any smelting or refining activity of ore from a gold or silver mine is considered to be a mineral substance processing activity.

**“8.7.** The total capital investments attributable to the carrying out of an investment project, at a particular time, correspond to the aggregate of the capital expenditures incurred, from the beginning of the carrying out of the investment project until that time, to obtain goods or services with a view to establishing, in Québec, the business or part of the business in connection with which activities arising from the carrying out of the project are carried on, or with a view to increasing, improving or modernizing the production of such a business or part of a business.

However, in computing the total capital investments attributable to the carrying out of an investment project, the capital investments that are related

to the purchase or use of land or the acquisition of a business already carried on in Québec are not taken into account.

### **“DIVISION III**

#### **“ANNUAL CERTIFICATE**

**“8.8.** An annual certificate issued to a corporation or a partnership in respect of an investment project certifies that the corporation or partnership is continuing, in the taxation year or fiscal period, as the case may be, for which the application for the certificate is made, to carry out the investment project in respect of which an initial qualification certificate was issued to it. The certificate also confirms that the project is recognized for the year or fiscal period as a large investment project.

In the first annual certificate issued in respect of an investment project, the Minister specifies the date of the beginning of the corporation’s or partnership’s tax-free period in relation to the project. That date is the earlier of

(1) the date on which the corporation or partnership begins to carry on the business in connection with which activities arising from the carrying out of the project are carried on; and

(2) the date on which the total capital investments attributable to the carrying out of the project is, for the first time, at least \$300,000,000.

**“8.9.** An annual certificate in respect of an investment project may be issued, for a particular taxation year or fiscal period, to a corporation or a partnership, as the case may be, if,

(1) the activities arising from the project are carried on in Québec; and

(2) subject to the fourth paragraph, the total capital investments attributable to the carrying out of the project, at any time in the particular year or fiscal period, is at least \$300,000,000.

If a first annual certificate was issued in respect of an investment project for a particular taxation year or fiscal period, the requirement of subparagraph 2 of the first paragraph is deemed to be met in respect of the project for the purposes of the issue of an annual certificate for any subsequent taxation year or fiscal period that is included in whole or in part in the start-up period of the project.

The Minister may not issue an annual certificate to a corporation or a partnership, in respect of an investment project, for a taxation year or fiscal period that is subsequent to the start-up period of the project unless a first annual certificate has been issued in respect of the project for a taxation year or fiscal period that is included in whole or in part in that period. In addition, the Minister may issue an annual certificate in respect of an investment project

only for a taxation year or fiscal period that is included in whole or in part in the corporation's or partnership's tax-free period in relation to the project.

In addition, where a corporation's taxation year or a partnership's fiscal period is included only in part in the start-up period of an investment project, the first annual certificate, in relation to the investment project, may be issued for the year or fiscal period, as the case may be, only if the requirement of subparagraph 2 of the first paragraph is met for that part of the year or fiscal period. The same applies, where an annual certificate is to be issued for a taxation year or fiscal period that is included only in part in the corporation's or partnership's tax-free period, in relation to the investment project.

**“8.10.** If, at a particular time, the first annual certificate that was issued to a corporation or a partnership for a particular taxation year or fiscal period, as the case may be, in respect of an investment project is revoked by the Minister, the following rules apply:

(1) the certificate is deemed never to have been issued;

(2) the Minister may, for a taxation year or fiscal period that is subsequent to the particular year or fiscal period and that is included in whole or in part in the start-up period of the project, issue a first annual certificate to the corporation or partnership in respect of the project or amend an annual certificate that the Minister has already issued to it so that that certificate becomes the first annual certificate of the corporation or partnership if, for that subsequent year or fiscal period, the project meets the requirements of the first paragraph of section 8.9; and

(3) any other annual certificate issued to the corporation or partnership in respect of the project for any taxation year or fiscal period, unless subsequent to the year or fiscal period for which a certificate referred to in subparagraph 2 was issued, if any, is deemed to be revoked by the Minister at that particular time.

The effective date of the deemed revocation under subparagraph 3 of the first paragraph is the date of coming into force of the annual certificate that is deemed to be revoked.”

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

## ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

**83.** (1) Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended, in the first paragraph,

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

““eligible activities” means eligible activities within the meaning of the first paragraph of section 737.18.17.1 of the Taxation Act;”;

(2) by striking out “(chapitre I-3)” in the definition of “année d’imposition” in the French text;

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

““date of the beginning of the tax-free period” in respect of a large investment project means the date that is specified as such in the first certificate that, for the purposes of this section and sections 34, 34.1.0.3 and 34.1.0.4, is issued by the Minister of Finance in relation to the large investment project;”;

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

““recognized business” of an employer, in relation to a large investment project, means a business, carried on in Québec by the employer, in connection with which the large investment project was carried out or is in the process of being carried out and in respect of which the employer keeps separate accounts in relation to the eligible activities that are carried on in the course of carrying on the business and that arise from the project;”;

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

““large investment project” of an employer means an investment project in respect of which a qualification certificate has been issued to the employer by the Minister of Finance, for the purposes of this section and sections 34, 34.1.0.3 and 34.1.0.4;”;

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

““tax-free period” means a tax-free period within the meaning of the first paragraph of section 737.18.17.1 of the Taxation Act;”;

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

““total qualified capital investments” means total qualified capital investments within the meaning of the first paragraph of section 737.18.17.1 of the Taxation Act;”.

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

**84.** (1) Section 34 of the Act is amended

(1) by inserting the following subparagraph after subparagraph *d* of the seventh paragraph:

“(d.1) subject to section 34.1.0.3, in respect of the wages paid or deemed to be paid by an employer, where the wages are paid or deemed to be paid to

an employee in respect of the part of the employee's working time devoted to eligible activities of the employer, in relation to a large investment project of the employer, and are paid or deemed to be paid for a pay period comprised in the employer's tax-free period, in relation to the large investment project; and";

(2) by inserting the following paragraph after the ninth paragraph:

"For the purposes of subparagraph *d.1* of the seventh paragraph, where a pay period is not wholly comprised in the employer's tax-free period, in relation to the large investment project, only the period in respect of which the wages relate that is comprised in the tax-free period shall be taken into account."

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

**85.** (1) The Act is amended by inserting the following sections after section 34.1.0.2:

**"34.1.0.3.** The aggregate of all amounts each of which is a contribution that, under subparagraph *d.1* of the seventh paragraph of section 34, is not payable by an employer for a taxation year or a fiscal period may not exceed the aggregate of all amounts each of which is a contribution exemption amount of the employer for the taxation year or for the fiscal period, as the case may be, in respect of a large investment project of the employer that is referred to in subparagraph *d.1* of the seventh paragraph of section 34.

For the purposes of this section, an employer's contribution exemption amount for a taxation year or fiscal period, as the case may be, in respect of a large investment project of the employer is equal to the lesser of

(a) the balance of the employer's tax assistance limit, for the taxation year or fiscal period, in respect of the large investment project; and

(b) the aggregate of all amounts each of which is, for the taxation year or fiscal period, a contribution that would not be payable by the employer in respect of wages paid or deemed to be paid to an employee, in relation to part of the employee's working time devoted to eligible activities of the employer, in relation to the project, if subparagraph *d.1* of the seventh paragraph of section 34 were applied without reference to this section.

The balance of an employer's tax assistance limit, for a particular taxation year or fiscal period, in respect of a large investment project of the employer, is equal to

(a) where the employer is a corporation, the amount by which the employer's tax assistance limit, in relation to the large investment project, determined in accordance with section 737.18.17.7 of the Taxation Act (chapter I-3), exceeds the aggregate of

i. the aggregate of all amounts each of which is the employer's tax exemption amount, for the particular taxation year or for a taxation year preceding it, in respect of the large investment project, determined in accordance with the second paragraph of section 737.18.17.6 of the Taxation Act,

ii. the aggregate of all amounts each of which is the employer's contribution exemption amount, for a taxation year preceding the particular taxation year, in respect of the large investment project, determined in accordance with the second paragraph, and

iii. where, at any time in the particular taxation year, the employer transfers its recognized business in relation to the large investment project to another corporation or a partnership, the amount that was transferred to the other corporation or the partnership pursuant to the agreement referred to in section 737.18.17.11 of the Taxation Act in respect of the transfer; or

(b) where the employer is a partnership, the amount by which the employer's tax assistance limit, in relation to the large investment project, determined in accordance with section 34.1.0.4, exceeds the aggregate of

i. the aggregate of all amounts each of which is the employer's contribution exemption amount, for a fiscal period preceding the particular fiscal period, in respect of the large investment project, determined in accordance with the second paragraph,

ii. the aggregate of all amounts each of which is an amount agreed on, in respect of the particular fiscal period or a preceding fiscal period of the employer, in relation to a large investment project of the employer, pursuant to an agreement referred to in section 737.18.17.9 of the Taxation Act, and

iii. where, at any time in the particular fiscal period, the employer transfers its recognized business in relation to the large investment project to a corporation or another partnership, the amount that was transferred to the corporation or the other partnership pursuant to the agreement referred to in section 737.18.17.11 of the Taxation Act in respect of the transfer.

**“34.1.0.4.** The tax assistance limit of an employer that is a partnership, in relation to a large investment project, is 15% of the employer's total qualified capital investments on the date of the beginning of the tax-free period in respect of the large investment project, unless the employer acquired all or substantially all of the recognized business in relation to the project, in which case it is the amount that was transferred to the employer pursuant to the agreement referred to in section 737.18.17.11 of the Taxation Act (chapter I-3) in respect of the acquisition.”

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

**86.** (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. \$14,730 where, for the year, the individual has no eligible spouse and no dependent child,

“ii. \$23,880 where, for the year, the individual has no eligible spouse but has one dependent child,

“iii. \$27,055 where, for the year, the individual has no eligible spouse but has more than one dependent child,

“iv. \$23,880 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) \$27,055 where the individual has one dependent child for the year, or

“(2) \$29,985 where the individual has more than one dependent child for the year; and”.

(2) Subsection 1 applies from the year 2012.

**87.** (1) Section 37.16 of the Act is amended

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

““eligible spouse” of an individual for a year has the meaning assigned by section 37.1;”;

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

““dependent child” of an individual for a year has the meaning assigned by section 37.1;”;

(3) by inserting the following definitions in alphabetical order:

““exempt individual” for a year means

(a) an individual whose family income for the year does not exceed

i. \$23,880 where, for the year, the individual has no eligible spouse but has one dependent child,

ii. \$27,055 where, for the year, the individual has no eligible spouse but has more than one dependent child,

iii. \$23,880 where, for the year, the individual has an eligible spouse but has no dependent child, and

iv. where, for the year, the individual has an eligible spouse and at least one dependent child,

(1) \$27,055 where the individual has one dependent child for the year, or

(2) \$29,985 where the individual has more than one dependent child for the year;

(b) an individual who is exempted under section 24.1 of the Act respecting prescription drug insurance (chapter A-29.01) from payment of the premium under section 23 of that Act for the year; and

(c) an individual who is exempted under any of subparagraphs *a* to *c* and *f* of the first paragraph of section 96 of the Tax Administration Act (chapter A-6.002) from the tax for the year under Part I of the Taxation Act (chapter I-3);

““income” of an individual for a year means the income of the individual for the year, determined under Part I of the Taxation Act;”;

(4) by replacing the definition of “family income” by the following definition:

““family income” of an individual for a year means the aggregate of the income of the individual for the year and the income for the year of the individual’s eligible spouse for the year;”.

(2) Subsection 1 applies from the year 2013.

**88.** (1) The Act is amended by inserting the following section after section 37.16:

**“37.16.1.** For the purposes of section 37.17, if an individual becomes a bankrupt in a year, the individual’s income for the year is deemed to be equal to the individual’s income determined under Part I of the Taxation Act (chapter I-3) for the taxation year that, under section 779 of that Act, is deemed to begin on the date of the bankruptcy.”

(2) Subsection 1 has effect from 1 January 2013.

**89.** (1) Section 37.17 of the Act is replaced by the following section:

**“37.17.** Every individual described in section 37.18 in respect of a year is required to pay for the year, on the due date applicable to the individual for the year,

(a) if the individual's income for the year does not exceed \$40,000, an amount equal to the lesser of \$100 and 5% of the amount by which that income exceeds \$18,000;

(b) if the individual's income for the year is greater than \$40,000 but does not exceed \$130,000, an amount equal to the lesser of \$200 and the aggregate of \$100 and 5% of the amount by which that income exceeds \$40,000; or

(c) if the individual's income for the year is greater than \$130,000, an amount equal to the lesser of \$1,000 and the aggregate of \$200 and 4% of the amount by which that income exceeds \$130,000.”

(2) Subsection 1 applies from the year 2013.

(3) In addition, when, because of section 37.21 of the Act,

(1) sections 1025 and 1038 of the Taxation Act (chapter I-3) apply for the purpose of computing the amount of a payment that an individual is required to make for the year 2013 in respect of the amount that the individual is required to pay under section 37.17 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) and the interest, if any, that the individual is required to pay in respect of that payment, subsection 1 is deemed to have also been in force for the year 2012; and

(2) sections 1026 and 1038 of the Taxation Act apply for the purpose of computing the amount of a payment that an individual is required to make for a particular year that is the year 2013 or 2014 in respect of the amount that the individual is required to pay under section 37.17 of the Act respecting the Régie de l'assurance maladie du Québec and the interest, if any, that the individual is required to pay in respect of that payment,

(a) if the particular year is the year 2013, subsection 1 is deemed to have also been in force for the years 2011 and 2012; or

(b) if the particular year is the year 2014, subsection 1 is deemed to have also been in force for the year 2012.

(4) When, under subsection 3, subsection 1 is deemed to have been in force for the years 2011 and 2012, the income of an individual is that determined under Part I of the Taxation Act.

**90.** (1) The Act is amended by inserting the following sections after section 37.17:

**“37.17.1.** The amounts of \$18,000, \$40,000 and \$130,000 that must be used for the application of section 37.17 to a year subsequent to the year 2013 must, wherever they appear in that section, be adjusted annually in such a manner that each of those amounts used for that year is equal to the total of

the amount used for the preceding year and of the product obtained by multiplying that amount so used by the factor determined by the formula

$$(A/B) - 1.$$

In the formula in the first paragraph,

(a) A is the overall average Québec consumer price index without alcoholic beverages and tobacco products for the 12-month period that ended on 30 September of the year preceding that for which an amount is to be adjusted; and

(b) B is the overall average Québec consumer price index without alcoholic beverages and tobacco products for the 12-month period that ended on 30 September of the year immediately before the year preceding that for which the amount is to be adjusted.

If the factor determined by the formula in the first paragraph has more than four decimal places, only the first four decimal digits are retained and the fourth is increased by one unit if the fifth is greater than 4.

**“37.17.2.** Where the amount that results from the adjustment provided for in section 37.17.1 is not a multiple of \$5, it must be rounded to the nearest multiple of \$5 or, if it is equidistant from two such multiples, to the higher of them.”

(2) Subsection 1 applies from the year 2014.

**91.** (1) Section 37.18 of the Act is amended

(1) by replacing paragraph *c* by the following paragraph:

“(c) is not an exempt individual for the year.”;

(2) by striking out paragraphs *c.1* and *d*.

(2) Subsection 1 applies from the year 2013.

**92.** (1) Section 37.21 of the Act is replaced by the following section:

**“37.21.** Unless contrary to this division, sections 1000 to 1002, 1004 to 1017, 1017.2, 1019.6, 1019.7, 1025 to 1026.0.1, 1026.2, 1026.3 and 1037 to 1053 of the Taxation Act (chapter I-3) apply to this division, with the necessary modifications.”

(2) Subsection 1 has effect from 1 January 2013.

**93.** (1) The Act is amended by inserting the following section after section 37.21:

**“37.21.1.** A person who in a year pays, allocates, grants or awards an amount described in the second paragraph of section 1015 of the Taxation Act (chapter I-3) (in this section referred to as “remuneration”) to an individual and who is required, because of section 37.21, to deduct or withhold an amount on account of the amount (in this section referred to as the “health contribution”) that the individual is required to pay for the year under section 37.17, must not make any deduction or withholding in respect of the remuneration on account of the individual’s health contribution for the year if the individual furnishes the person with the return referred to in section 1015.3 of the Taxation Act and in which the individual specifies that, as the case may be,

(a) for the purposes of Part I of the Taxation Act, the individual will not be resident in Québec at the end of the year or will be deemed to be resident in Québec throughout the year because of paragraph *a* of section 8 of that Act;

(b) the individual will be an exempt individual for the year;

(c) the individual makes partial payments of the individual’s health contribution payable for the year because of section 37.21; or

(d) another person pays, allocates, grants or awards remuneration to the individual in the year that, because of section 37.21, is subject to a deduction or withholding on account of the individual’s health contribution for the year.”

(2) Subsection 1 has effect from 1 January 2013.

#### ACT RESPECTING THE QUÉBEC PENSION PLAN

**94.** (1) Section 47 of the Act respecting the Québec Pension Plan (chapter R-9) is amended by inserting the following paragraph after the fourth paragraph:

“For the purpose of determining the remuneration of a worker for a year for services provided as a person responsible for a particular family-type resource or intermediate resource, the following rules apply:

(a) an amount received by the particular resource in the year 2013, as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies and that is attributable to the year 2012, is deemed to have been received in that year and not in the year 2013; and

(b) an amount received by the particular resource in a particular month that begins after 31 January 2013, as remuneration to which subparagraph 1 or 2 of the third paragraph of section 303 of the Act respecting health services and social services applies, other than an amount referred to in subparagraph *a*, is deemed to have been received in the month that precedes the particular month.”

(2) Subsection 1 has effect from 1 January 2012.

## ACT RESPECTING THE QUÉBEC SALES TAX

**95.** (1) Section 1 of the Act respecting the Québec sales tax (chapter T-0.1), amended by section (*insert the number of the section in Bill 18 that amends section 1 of the Act respecting the Québec sales tax*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended

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

““participating employer” of a pension plan means an employer that has made, or is required to make, contributions to the pension plan in respect of the employer’s employees or former employees, or payments under the pension plan to the employer’s employees or former employees, and includes an employer prescribed for the purposes of the definition of “participating employer” in subsection 1 of section 147.1 of the Income Tax Act;

““pension entity” of a pension plan means a person that is

(1) a person referred to in paragraph 1 of the definition of “pension plan”;

(2) a corporation referred to in paragraph 2 of the definition of “pension plan”; or

(3) a prescribed person;”;

(2) by replacing the definition of “selected listed financial institution” by the following definition:

““selected listed financial institution” throughout a reporting period in a fiscal year that ends in a taxation year means a financial institution that is described in any of paragraphs 1 to 10 of the definition of “listed financial institution” during the taxation year and is a prescribed financial institution throughout the reporting period;”;

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

““pension plan” means a registered pension plan, within the meaning of section 1 of the Taxation Act,

(1) that governs a person that is a trust or that is deemed to be a trust for the purposes of that Act;

(2) in respect of which a corporation is

(a) incorporated and operated either

i. solely for the administration of the registered pension plan, or

ii. for the administration of the registered pension plan and for no other purpose other than acting as trustee of, or administering, a trust governed by a retirement compensation arrangement, within the meaning of section 1 of the Taxation Act, where the terms of the arrangement provide for benefits only in respect of individuals who are provided with benefits under the registered pension plan, and

(b) accepted by the Minister of National Revenue, under subparagraph ii of paragraph *o.1* of subsection 1 of section 149 of the Income Tax Act, as a funding medium for the purpose of the registration of the registered pension plan; or

(3) in respect of which a person is prescribed for the purposes of the definition of “pension entity”;;

(4) by striking out the definition of “specified partnership”.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 23 September 2009.

(3) Paragraphs 2 and 4 of subsection 1 have effect from 1 January 2013.

**96.** Section 11 of the Act is amended by replacing paragraph 4 by the following paragraph:

“(4) in the case of an individual, the individual is deemed under any of paragraphs *b* to *g* of section 8 of the Taxation Act (chapter I-3) to be resident in Québec at that time.”

**97.** (1) Section 17 of the Act is amended by adding the following subparagraph after subparagraph 5 of the fourth paragraph:

“(6) corporeal property that a person that is a pension entity of a pension plan brings into Québec and that comes from Canada outside Québec, as a consequence of a particular supply of the property by a participating employer of the pension plan where

(a) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.5 in respect of a supply of that property that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.5 is greater than zero, or

(b) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.6 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.6, consumed or used for the purpose of making the particular supply, is greater than zero.”

(2) Subsection 1 has effect from 23 September 2009.

**98.** (1) Section 18.0.1 of the Act is amended by adding the following subparagraph after subparagraph 8 of the third paragraph:

“(9) a particular supply of a property or a service made by a participating employer of a pension plan to a person that is a pension entity of the pension plan where

(a) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.5 in respect of a supply of that property or service that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.5 is greater than zero, or

(b) the amount determined by the formula in subparagraph 3 of the first paragraph of section 289.6 in respect of any supply of an employer resource that is deemed to have been made by the participating employer under subparagraph 1 of the first paragraph of section 289.6, consumed or used for the purpose of making the particular supply, is greater than zero.”

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

**99.** (1) Section 22.8 of the Act is amended by striking out subparagraph *c* of subparagraph 2 of the first paragraph.

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

**100.** (1) Section 22.9.1 of the Act is amended by striking out paragraph 2.

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

**101.** (1) Section 22.15.1 of the Act is repealed.

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

**102.** (1) The Act is amended by inserting the following section after section 22.15.1:

**“22.15.2.** For the purposes of this subdivision, where section 32.3 applies in respect of the supply of a service, except in respect of a telecommunication service, the supply is deemed to be made outside Québec if all of the supplies of the service are deemed to be made outside Canada for the purposes of Part IX of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) under paragraph *d* of subsection 2 of section 136.1 of that Act.”

(2) Subsection 1 applies in respect of a supply made after 31 December 2012.

**103.** (1) Section 22.20 of the Act is repealed.

(2) Subsection 1 applies in respect of a supply of a freight transportation service made after 31 December 2012.

**104.** (1) Section 197 of the Act is amended by striking out paragraph 1.

(2) Subsection 1 applies in respect of a supply of a freight transportation service made after 31 December 2012.

**105.** (1) Section 198 of the Act is replaced by the following section:

**“198.** A supply of an admission to a convention, other than an admission to a foreign convention, made by a sponsor of the convention to a person not resident in Québec is a zero-rated supply.”

(2) Subsection 1 has effect from 1 April 2013.

**106.** (1) Section 289.2 of the Act is amended by striking out the definitions of “participating employer”, “pension entity” and “pension plan” in the first paragraph.

(2) Subsection 1 has effect from 23 September 2009, except for the purposes of section 206.0.1 of the Act, as it read before being repealed.

**107.** (1) Section 399.1 of the Act is amended by replacing the first paragraph by the following paragraph:

**“399.1.** The Gouvernement du Québec or any of its departments or prescribed mandataries is entitled, in the manner determined by the Minister, to a rebate of the tax it paid or is required to pay under this Title, if it applies to the Minister, in the manner determined by the Minister, on or before the day that is four years after the day on which the tax was paid.”

(2) Subsection 1 applies in respect of a tax that is paid or is required to be paid after 31 March 2013.

**108.** (1) Section 402.13 of the Act is amended by striking out the definitions of “participating employer”, “pension entity” and “pension plan” in the first paragraph.

(2) Subsection 1 has effect from 23 September 2009.

**109.** (1) Section 433.16 of the Act, amended by section *(insert the number of the omnibus section in Bill 18 that amends section 433.16 of the Act respecting the Québec sales tax)* of chapter *(insert the chapter number of that bill)* of the statutes of *(insert the year of assent to that bill)*, is again amended

(1) by replacing subparagraph *a* of subparagraph 6 of the second paragraph by the following subparagraph:

“(a) the aggregate of all amounts each of which is the tax (other than a prescribed amount of tax) under the first paragraph of section 16 in respect of supplies made to the financial institution, or under the first paragraph of section 17 in respect of corporeal property brought into Québec from outside Canada by the financial institution, that

i. became payable, or was paid without having become payable, by the financial institution during the particular reporting period or any of the reporting periods described in the third paragraph,

ii. was not included in determining the positive or negative amounts that the financial institution is required to add, or may deduct, under this section in determining its net tax for any reporting period other than the particular reporting period, and

iii. is claimed by the financial institution in a return under Division IV filed by the financial institution for the particular reporting period, and”;

(2) by adding the following paragraph after the second paragraph:

“A reporting period to which subparagraph i of subparagraph a of subparagraph 6 of the second paragraph applies, in relation to a particular reporting period, is any reporting period that precedes the particular reporting period, provided that the particular reporting period ends within two years after the end of the financial institution’s fiscal year that includes the preceding reporting period and the financial institution was a selected listed financial institution throughout the preceding reporting period.”

(2) Subsection 1 applies in respect of a reporting period that ends after 31 December 2012.

**110.** (1) Section 450.0.1 of the Act is amended by striking out the definitions of “participating employer”, “pension entity” and “pension plan”.

(2) Subsection 1 has effect from 23 September 2009.

**111.** (1) Section 487 of the Act is amended by replacing paragraphs 1 and 2 by the following paragraphs:

“(1) 0.082 of a cent per millilitre of beer or 0.247 of a cent per millilitre of any other alcoholic beverage the person purchases for consumption on the premises; and

“(2) 0.050 of a cent per millilitre of beer or 0.112 of a cent per millilitre of any other alcoholic beverage the person purchases otherwise than for consumption on the premises.”

(2) Subsection 1 has effect from 3 a.m., 21 November 2012.

(3) In addition, not later than 21 November 2013, every person who sells an alcoholic beverage in Québec shall

(1) submit to the Minister of Revenue an inventory, using the prescribed form, of the beer and of any other alcoholic beverage that the person has in stock at 3 a.m. on 21 November 2012, in respect of which an amount corresponding to the specific tax was, or should have been, collected in advance, other than the beer and any other alcoholic beverage in respect of which the specific tax is reduced under section 489.1 of the Act and, at the same time, remit to the Minister of Revenue an amount corresponding to the specific tax computed on that stock at the rate in effect in respect of the beer and of any other alcoholic beverage, as the case may be, from 3 a.m. on 21 November 2012, after deducting an amount corresponding to the specific tax computed on that stock at the rate in effect in their respect before 3 a.m. on 21 November 2012; and

(2) submit to the Minister of Revenue an inventory, using the prescribed form, of the beer that the person has in stock at 3 a.m. on 21 November 2012, in respect of which an amount corresponding to the specific tax was, or should have been, collected in advance and in respect of which the specific tax is reduced under the first paragraph of section 489.1 of the Act and, in respect of that stock, remit to the Minister of Revenue the specific tax computed on that stock at the rate in effect from 3 a.m. on 21 November 2012, taking a 67% reduction rate into account, after deducting an amount corresponding to the specific tax computed on that stock at the rate in effect before 3 a.m. on 21 November 2012, taking a 67% reduction rate into account.

(4) For the purposes of subsection 3, the following rules apply:

(1) an alcoholic beverage that was acquired by a person before 3 a.m. on 21 November 2012 that has not been delivered to the person at that time is considered to be part of the person's stock of alcoholic beverages at that time; and

(2) an alcoholic beverage intended to be consumed in an establishment that the person has in stock at 3 a.m. on 21 November 2012, but whose receptacle has been breached at that time, is considered not to be part of the person's stock of alcoholic beverages at that time.

**112.** (1) Section 488 of the Act is amended by replacing paragraphs 1 and 2 by the following paragraphs:

“(1) 0.082 of a cent per millilitre of beer or 0.247 of a cent per millilitre of any other alcoholic beverage so brought in or purchased for consumption on the premises; and

“(2) 0.050 of a cent per millilitre of beer or 0.112 of a cent per millilitre of any other alcoholic beverage so brought in or purchased otherwise than for consumption on the premises.”

(2) Subsection 1 has effect from 3 a.m., 21 November 2012.

**113.** (1) Section 489 of the Act is amended by replacing subparagraphs 1 and 2 of the first paragraph by the following subparagraphs:

“(1) 0.082 of a cent per millilitre of beer or 0.247 of a cent per millilitre of any other alcoholic beverage so purchased or produced, where the use or consumption made of it constitutes consumption on the premises; and

“(2) 0.050 of a cent per millilitre of beer or 0.112 of a cent per millilitre of any other alcoholic beverage so purchased or produced, where the use or consumption made of it does not constitute consumption on the premises.”

(2) Subsection 1 has effect from 3 a.m., 21 November 2012.

**114.** (1) Section 489.1 of the Act is amended by replacing the second paragraph by the following paragraph:

“In the case of any other alcoholic beverage produced in Québec by a prescribed person, the specific tax that a person is required to pay under this Title in respect of such an alcoholic beverage is reduced by the prescribed percentage, on the prescribed terms and conditions.”

(2) Subsection 1 has effect from 3 a.m., 21 November 2012.

**115.** (1) Section 677 of the Act is amended, in the first paragraph,

(1) by inserting the following subparagraphs after subparagraph 2:

“(2.1) determine, for the purposes of the definition of “pension entity” in section 1, which person is a prescribed person;

“(2.2) determine, for the purposes of the definition of “selected listed financial institution” in section 1, which financial institution is a prescribed financial institution;”;

(2) by replacing subparagraph 31.0.2 by the following subparagraph:

“(31.0.2) determine, for the purposes of the definition of “excluded activity” in the first paragraph of section 289.2, which purposes are prescribed purposes;”.

(2) Paragraph 1 of subsection 1, when it enacts subparagraph 2.1 of the first paragraph of section 677 of the Act, has effect from 23 September 2009.

(3) Paragraph 1 of subsection 1, when it enacts subparagraph 2.2 of the first paragraph of section 677 of the Act, has effect from 1 January 2013.

(4) Paragraph 2 of subsection 1 has effect from 9 December 2011.

**116.** This Act comes into force on *(insert the date of assent to this Act)*.



