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# NATIONAL ASSEMBLY

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FIRST SESSION

FORTIETH LEGISLATURE

Bill 55

**An Act to amend the Mining Tax Act**

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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 the Mining Tax Act by introducing a new method for computing tax. The amendments deal with*

*(1) the replacement of the single tax rate of 16% used to determine the mining tax on profit for which an operator is liable by progressive tax rates ranging from 16% to 28% and based on the operator's profit margin;*

*(2) the implementation of a minimum mining tax whose basis is the mine-mouth output value;*

*(3) the implementation of a non-refundable duties credit on account of the minimum mining tax; and*

*(4) an increase in the processing allowance.*

*In addition, it amends the Mining Tax Act to introduce rules to ensure the Act is complied with and make various technical amendments as well as consequential and terminology-related amendments.*

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

- Mining Tax Act (chapter I-0.4).

# Bill 55

## AN ACT TO AMEND THE MINING TAX ACT

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

### MINING TAX ACT

**1.** (1) Section 1 of the Mining Tax Act (chapter I-0.4) is amended, in the first paragraph,

(1) by replacing the portion of the definition of “processing asset” before paragraph 1 by the following:

““processing asset” means property to which any of sections 10, 10.1.1, 10.9 and 10.11 apply, situated in Québec, that is”;

(2) by replacing the definition of “environmental trust” by the following definition:

““environmental trust” means an environmental trust, within the meaning of section 1129.51 of the Taxation Act (chapter I-3) that is resident in Québec for the purposes of Part III.12 of that Act;”;

(3) by replacing the definition of “Near North” by the following definition:

““Near North” means the territory of Québec between 50°30' north latitude and 55°00' north latitude and bounded on the east by the Grenville Front and the part of the territory of the Côte-Nord administrative region (09), described in the Décret concernant la révision des limites des régions administratives du Québec (chapter D-11, r. 1), situated between 59°00' west longitude and 66°00' west longitude;”;

(4) by replacing the portion of the definition of “tax rate” before the formula by the following:

““tax rate” applicable to an operator for a fiscal year that begins before 1 January 2014 means the rate determined for the fiscal year by the formula”.

(2) Paragraphs 1 and 4 of subsection 1 apply from 1 January 2014. In addition, when the portion of the definition of “processing asset” in the first paragraph of section 1 of the Act before paragraph 1 applies after 30 March 2010 and before 1 January 2014, it is to be read as follows:

““processing asset” means property to which section 10 or 10.1.1 applies, situated in Québec, that is”.

(3) Paragraph 2 of subsection 1 applies to a fiscal year that ends after 31 December 2011.

(4) Paragraph 3 of subsection 1 has effect from 14 September 2010.

**2.** (1) The Act is amended by inserting the following sections after section 4.2:

**“4.2.1.** For the purposes of this Act, except sections 35.3 to 35.5, an outlay or expense resulting from a transaction with a person related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), to the operator is deemed not to exceed the fair market value of property or a service supplied if the outlay or expense exceeds that value; moreover, an operator that supplied property or a service following a transaction with a related person, within the meaning of that Chapter IV, is deemed to have received an amount at least equal to the fair market value of the property or service if the consideration received for the property or service is less than that value or if there is no consideration for the property or service.

**“4.2.2.** An amount deductible under this Act in respect of an outlay or expense may be deducted only to the extent that the outlay or expense is reasonable in the circumstances.

**“4.2.3.** An operator who, in computing its annual profit or in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, has already included or deducted an amount, directly or indirectly, is not required to again include or authorized to again deduct the amount, as the case may be, directly or indirectly, unless it is required or authorized by this Act expressly or in terms in which that requirement or authorization may necessarily be inferred.”

(2) Subsection 1 applies from 1 January 2014.

**3.** (1) Section 4.4 of the Act is amended by inserting the following paragraph after paragraph 1 of the definition of “Québec mining results”:

“(1.1) the operator’s mine-mouth value output for the fiscal year, under this Act, in respect of all the mines it operates in that fiscal year;”.

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2013.

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

**“5.** For a fiscal year that begins after 31 December 2013, an operator is required to pay duties equal to the greater of

(1) its mining tax on its annual profit for the fiscal year, determined under section 29.1; and

(2) its minimum mining tax for the fiscal year, determined under section 30.1.

For a fiscal year that begins before 1 January 2014, an operator is required to pay the duties on its annual profit for the fiscal year that are determined under section 30.”

(2) Subsection 1 applies from 1 January 2014.

**5.** (1) The heading of Chapter III of the Act is replaced by the following heading:

“COMPUTATION OF ANNUAL PROFIT AND OF MINE-MOUTH OUTPUT VALUE”.

(2) Subsection 1 applies from 1 January 2014.

**6.** (1) The heading of Division I of Chapter III of the Act is replaced by the following heading:

“RULES RELATING TO COMPUTATION OF GROSS VALUE OF ANNUAL OUTPUT”.

(2) Subsection 1 applies from 1 January 2014.

**7.** (1) The Act is amended by inserting the following before section 8:

**“DIVISION I.1**

**“RULES RELATING TO COMPUTATION OF ANNUAL PROFIT”.**

(2) Subsection 1 applies from 1 January 2014.

**8.** (1) Section 8 of the Act is amended

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

“(b) the total of all amounts each of which is the eligible amount of a gift, within the meaning of section 7.21 of the Taxation Act, made by the operator in the fiscal year, if

i. the gift would be referred to in section 710 or 752.0.10.1 of that Act, as the case may be, if paragraph *a* of section 999.2 of that Act were read as if “i to v” was replaced by “i to iii” and if section 999.2 of that Act were read without its paragraphs *i* and *j*, and

ii. the total of those amounts does not exceed 10% of the total referred to in subparagraph *a* of subparagraph 1,”;

(2) by replacing subparagraph *e* of subparagraph 1 of the fourth paragraph by the following subparagraph:

“(e) the amount determined in accordance with any of sections 10.2, 10.3, 10.12 and 10.13 for the fiscal year that is reasonably attributable to the operation of the mine,”;

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

“(b) subject to sections 10, 10.1.1 and 10.17, the amount deducted by the operator, for the fiscal year, as a depreciation allowance that is reasonably attributable to the operation of the mine,”;

(4) by replacing subparagraph *d* of subparagraph 2 of the fourth paragraph by the following subparagraph:

“(d) subject to sections 20.1 and 21, the amount deducted by the operator, for the fiscal year, in respect of the mine as a processing allowance,”;

(5) by replacing subparagraph *f* of subparagraph 2 of the fourth paragraph by the following subparagraph:

“(f) the amount determined in accordance with any of sections 10.4, 10.5, 10.15 and 10.16, for the fiscal year, that is reasonably attributable to the operation of the mine,”.

(2) Paragraph 1 of subsection 1 has effect from 31 March 2010. However, when section 8 of the Act applies before 1 January 2012, subparagraph *b* of subparagraph 2 of the second paragraph of section 8 of the Act is to be read as follows:

“(b) the total of all amounts each of which is the eligible amount of a gift, within the meaning of section 7.21 of the Taxation Act, made by the operator in the fiscal year, to the extent that the gift would be referred to in section 710 of that Act if that section were read without reference to subparagraphs vi to viii of paragraph *a*, or in section 752.0.10.1 of that Act if the definition of “total charitable gifts” in the first paragraph of that section were read without reference to paragraphs *f* to *h*, as the case may be, and provided that the total of those amounts does not exceed 10% of the total referred to in subparagraph *a* of subparagraph 1,”.

(3) Paragraphs 2 to 5 of subsection 1 apply from 1 January 2014.

**9.** (1) Section 8.0.1 of the Act is amended by replacing paragraph 4 by the following paragraph:

“(4) a capital loss or replacement of capital, a payment or outlay of capital or a depreciation, obsolescence or depletion allowance, except to the extent permitted by sections 10, 10.1.1, 10.17, 20.1, 21 and 26.0.1;”.

(2) Subsection 1 applies from 1 January 2014.

**10.** (1) The Act is amended by inserting the following section after section 8.0.1:

**“8.0.2.** An amount referred to in subparagraph *a* or *e* of subparagraph 2 of the second paragraph of section 8 or in subparagraph *a* of subparagraph 2 of the fourth paragraph of that section does not include an amount taken into account in computing an allowance referred to in subparagraphs *c*, *d*, *f* and *g* of subparagraph 2 of the second paragraph of that section or in subparagraphs *b* and *c* of subparagraph 2 of the fourth paragraph of that section.”

(2) Subsection 1 applies from 1 January 2014.

**11.** (1) The Act is amended by inserting the following after section 8.1:

#### **“DIVISION 1.2**

#### **“RULES RELATING TO COMPUTATION OF MINE-MOUTH OUTPUT VALUE**

**“8.1.1.** Subject to the third paragraph, an operator’s mine-mouth output value for a fiscal year that begins after 31 December 2013 in respect of a mine it operates in the fiscal year is equal to the amount determined by the formula

$A - B$ .

In the formula in the first paragraph,

(1) *A* is the aggregate of

(a) the portion of the gross value of the operator’s annual output for the fiscal year that is reasonably attributable to the operation of the mine,

(b) if, for the purpose of determining the gross value of the operator’s annual output for the fiscal year, the Minister authorizes, under section 6.1, the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year and the preceding fiscal year began after 31 December 2013, the amount included in computing the annual earnings from the mine for the fiscal year under subparagraph *b* of subparagraph 1 of the fourth paragraph of section 8,

(c) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the

meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act (chapter I-3), at the time of the alienation and if the value of the particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year that began after 31 December 2013, the amount included in computing the annual earnings from the mine for the fiscal year under subparagraph *c* of subparagraph 1 of the fourth paragraph of section 8,

(*d*) an amount, other than government assistance, received or receivable by the operator in the fiscal year, from a person or partnership, because of an expense incurred by the operator in respect of the mine for a particular fiscal year that began after 31 December 2013 and that is an expense deducted in computing the operator's mine-mouth output value in respect of the mine for the particular fiscal year, and

(*e*) the amount determined in accordance with section 10.12 or 10.13 for the fiscal year that is reasonably attributable to the operation of the mine; and

(2) B is the aggregate of

(*a*) the total of all expenses each of which is an expense incurred by the operator in respect of the mine, for the fiscal year, that is deductible in computing the operator's annual earnings from the mine for the fiscal year and that is reasonably attributable to activities consisting in the crushing, milling, sieving, processing, handling, transportation or storage of a mineral substance from its first accumulation site following its extraction from the mine and, if applicable, of the processing products obtained, and activities consisting in the marketing of the mineral substance and, if applicable, of the processing products obtained, including the general and administrative expenses that the operator incurs in the fiscal year and that relate to the crushing, milling, sieving, processing, handling, transportation, storage and marketing activities,

(*b*) subject to sections 10.9 and 10.11, the amount deducted by the operator, for the fiscal year, as a depreciation allowance that is reasonably attributable to the operation of the mine,

(*c*) the adjustment amount determined in accordance with section 10.14, for the fiscal year, that is reasonably attributable to the operation of the mine,

(*d*) subject to section 20.1, the amount deducted by the operator, for the fiscal year, in respect of the mine as a processing allowance,

(*e*) the amount determined in accordance with section 10.15 or 10.16, for the fiscal year, that is reasonably attributable to the operation of the mine,

(*f*) if, for the purpose of determining the gross value of the operator's annual output for the fiscal year, the Minister authorizes, under section 6.1, the use of a method for the fiscal year that differs from the method used by the operator for the preceding fiscal year and the preceding fiscal year began after 31 December 2013, the amount deducted in computing the annual earnings

from the mine for the fiscal year under subparagraph *j* of subparagraph 2 of the fourth paragraph of section 8, and

(g) if particular gemstones from the mine have not been mixed with other gemstones, if the operator alienates those particular gemstones in the fiscal year in favour of a person to whom the operator is not related, within the meaning of Chapter IV of Title II of Book I of Part I of the Taxation Act, at the time of the alienation and if the value of those particular gemstones was taken into consideration in determining the gross value of the operator's annual output for a preceding fiscal year that began after 31 December 2013, the amount deducted in computing the annual earnings from the mine for the fiscal year under subparagraph *k* of subparagraph 2 of the fourth paragraph of section 8.

If the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year is less than 10% of the portion of the gross value of the operator's annual output for the fiscal year that is reasonably attributable to the operation of the mine, the operator's mine-mouth output value for the fiscal year in respect of the mine is deemed to be equal to 10% of that portion."

(2) Subsection 1 applies from 1 January 2014.

**12.** (1) Sections 8.2 to 8.5 of the Act are repealed.

(2) Subsection 1 applies from 1 January 2014.

**13.** (1) The Act is amended by inserting the following heading before section 9:

"§1.—*Interpretation and general rules*".

(2) Subsection 1 applies from 1 January 2014.

**14.** (1) Section 9 of the Act is amended

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

““class 1A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 1 property at that time;”;

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

““class 2A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 2 property at that time;”;

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

““class 3A property” means a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 3 property at that time;”;

(4) by replacing the definition of “class 4 property” by the following definition:

““class 4 property” means a road, a building, equipment or service property acquired after 30 March 2010 that is neither class 3 property nor class 4A property and that is regularly used in the mining operation;”;

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

““class 4A property” means

(1) a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that the operator owns at the time of the transfer and that is included in class 4 property at that time; and

(2) a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that is acquired by the operator after the time of the transfer, that is a road, a building, equipment or service property and that is regularly used in the mining operation;

““property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine” means, subject to the second paragraph, a processing asset or a property all or substantially all of which is used in the crushing, milling, sieving, handling, transportation or storage of the mineral substance from its first accumulation site following its extraction from the mine and, if applicable, the processing products obtained;

““time of the transfer” means the time that corresponds to the beginning of the first fiscal year of an operator that begins after 31 December 2013;”;

(6) by replacing subparagraphs *b* and *c* of paragraph 1 of the definition of “undepreciated capital cost” by the following subparagraphs:

“(b) the total of all amounts each of which is an amount determined in accordance with the second paragraph of section 10.2 or 10.12, in respect of that class, for a fiscal year ending before that time;

“(c) the total of all amounts each of which is an amount determined in accordance with section 10.3 or 10.13, in respect of that class, for a fiscal year ending before that time; and”;

(7) by replacing subparagraphs *c* and *d* of paragraph 2 of the definition of “undepreciated capital cost” by the following subparagraphs:

“(c) the total of all amounts each of which is an amount determined in accordance with the second paragraph of section 10.4 or 10.15, in respect of that class, for a fiscal year ending before that time;

“(d) the total of all amounts each of which is an amount determined in accordance with section 10.5 or 10.16, in respect of that class, for a fiscal year ending before that time;”;

(8) by replacing the portion of the definition of “proceeds of alienation” before paragraph 1 by the following:

““proceeds of alienation” of property means, subject to subdivision 5,”;

(9) by adding the following paragraph:

“A property used in the course of the operator’s marketing activities or administrative activities is not a property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine.”

(2) Paragraphs 1 to 7 and 9 of subsection 1 apply to a fiscal year that begins after 31 December 2013. In addition, when section 9 of the Act applies after 30 March 2010 and before 1 January 2014, the definition of “class 4 property” in that section is to be read as follows:

““class 4 property” means a road, a building, equipment or service property acquired after 30 March 2010 that is not class 3 property and is regularly used in the mining operation;”.

(3) Paragraph 8 of subsection 1 has effect from 6 May 2013.

**15.** (1) The Act is amended by inserting the following section after section 9.1:

**“9.1.1.** Where the fiscal year of an operator comprises fewer than 12 months, the depreciation allowance must not exceed the proportion of the maximum amount deductible under any of sections 10, 10.1.1, 10.9 and 10.11 that the number of days in the fiscal year is of 365.”

(2) Subsection 1 applies from 1 January 2014.

**16.** (1) The Act is amended by inserting the following heading before section 10:

“§2.—*Rules relating to classes 1, 2, 3 and 4*”.

(2) Subsection 1 applies from 1 January 2014.

**17.** (1) Section 10 of the Act is amended by replacing “section 14” in the portion before paragraph 1 by “section 9.1.1”.

(2) Subsection 1 applies from 1 January 2014.

**18.** (1) Section 10.1.1 of the Act is amended

(1) by replacing “section 14” in the portion of the first paragraph before subparagraph 1 by “section 9.1.1”;

(2) by replacing “undepreciated portion of the capital cost” in subparagraph 1 of the first paragraph and in the second paragraph by “undepreciated capital cost”.

(2) Paragraph 1 of subsection 1 applies from 1 January 2014.

**19.** (1) Section 10.2 of the Act is amended by replacing “in section 9” in the second paragraph by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**20.** (1) Section 10.3 of the Act is amended by replacing “in section 9” by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**21.** (1) Section 10.4 of the Act is amended by replacing “in section 9” in the second paragraph by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**22.** (1) Section 10.5 of the Act is amended by replacing “in section 9” by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**23.** (1) The Act is amended by inserting the following after section 10.5:

“§3.—*Rules relating to class transfers*

“**10.6.** Property used in mining operation activities from the first accumulation site of a mineral substance following its extraction from the mine, that an operator owns at the time of the transfer and that is at that time class 1 property, class 2 property, class 3 property or class 4 property of the operator, is deemed to become, immediately after that time, class 1A property, class 2A property, class 3A property or class 4A property of the operator, respectively.

**“10.7.** The undepreciated capital cost of the operator’s class 1A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 1 property at the time of the transfer that the capital cost to the operator of all the class 1A property referred to in section 10.6 is of the capital cost of all the class 1 property the operator owns at the time of the transfer.

The undepreciated capital cost of the operator’s class 1 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator’s class 1 property at the time of the transfer exceeds the undepreciated capital cost of the operator’s class 1A property immediately after the time of the transfer.

The undepreciated capital cost of the operator’s class 2A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 2 property at the time of the transfer that the capital cost to the operator of all the class 2A property referred to in section 10.6 is of the capital cost of all the class 2 property the operator owns at the time of the transfer.

The undepreciated capital cost of the operator’s class 2 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator’s class 2 property at the time of the transfer exceeds the undepreciated capital cost of the operator’s class 2A property immediately after the time of the transfer.

The undepreciated capital cost of the operator’s class 3A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 3 property at the time of the transfer that the capital cost to the operator of all the class 3A property referred to in section 10.6 is of the capital cost of all the class 3 property the operator owns at the time of the transfer.

The undepreciated capital cost of the operator’s class 3 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator’s class 3 property at the time of the transfer exceeds the undepreciated capital cost of the operator’s class 3A property immediately after the time of the transfer.

The undepreciated capital cost of the operator’s class 4A property, immediately after the time of the transfer, is deemed to be equal to the proportion of the undepreciated capital cost of the operator’s class 4 property at the time of the transfer that the capital cost to the operator of all the class 4A property referred to in section 10.6 is of the capital cost of all the class 4 property the operator owns at the time of the transfer.

The undepreciated capital cost of the operator’s class 4 property, immediately after the time of the transfer, is deemed to be equal to the amount by which the undepreciated capital cost of the operator’s class 4 property at the time of the

transfer exceeds the undepreciated capital cost of the operator's class 4A property immediately after the time of the transfer.

**“10.8.** Where, because of section 10.6, one or more of an operator's particular properties of a same class (in this section referred to as the “old class”) are deemed to have become properties of another class (in this section referred to as the “new class”), the following rules apply for the purpose of determining, at a given time that is subsequent to the time of the transfer, the undepreciated capital cost to the operator of the property of the old class and of the new class:

(1) for the purposes of subparagraph *a* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, each of the particular properties is deemed to be a property of the new class acquired before the given time and never to have been included in the old class; and

(2) the amount by which the aggregate of all amounts each of which is the capital cost to the operator of each of the particular properties exceeds the undepreciated capital cost of the property of the new class immediately after the time of the transfer is deemed to be a depreciation allowance granted to the operator in respect of the property of the new class and to no longer be a depreciation allowance granted to the operator in respect of the property of the old class.

“§4. — *Rules relating to classes 1A, 2A, 3A and 4A*

**“10.9.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, in respect of class 1A property, class 2A property or class 3A property as a depreciation allowance in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, must not exceed the portion, reasonably attributable to the operation of the mine, of the least of

(1) the part of the capital cost of the property of that class, for the fiscal year;

(2) the undepreciated capital cost of the property of that class, before any deduction under that subparagraph *b*, at the end of the fiscal year; and

(3) where the operator no longer owns property of that class at the end of the fiscal year, zero.

**“10.10.** The part of the capital cost referred to in paragraph 1 of section 10.9 for a fiscal year is equal to the amount obtained by applying, in respect of the property of a class acquired before the end of the fiscal year, the following percentage:

(1) 15% of the total of all amounts each of which is the capital cost of each class 1A property;

(2) 30% of the total of all amounts each of which is the capital cost of each class 2A property; and

(3) 100% of the total of all amounts each of which is the capital cost of each class 3A property.

**“10.11.** Subject to section 9.1.1, the amount that an operator may deduct, under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, in respect of class 4A property as a depreciation allowance in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, must not exceed the portion, reasonably attributable to the operation of the mine, of the lesser of

(1) the amount obtained by multiplying the undepreciated capital cost of the property of that class at the end of the fiscal year before any deduction under that subparagraph *b* at the end of the fiscal year, by 30%; and

(2) where the operator no longer owns property of that class at the end of the fiscal year, zero.

Despite the first paragraph, an operator shall not deduct an amount as a depreciation allowance relating to class 4A property in computing the mine-mouth output value in respect of a mine it operates, for a fiscal year, if the undepreciated capital cost of the operator’s class 1A property, class 2A property and class 3A property, at the end of the fiscal year, reduced by the amount the operator deducts in respect of such property, for the fiscal year, is greater than zero.

**“10.12.** The amount that an operator is required to include in computing its annual earnings from a mine for a fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of the mine it operates, for the fiscal year, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1, in respect of class 1A property or class 2A property, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the particular fiscal year is of the total use of that property in that fiscal year.

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression.

**“10.13.** The amount that an operator is required to include in computing its annual earnings from a mine for a fiscal year, under subparagraph *e* of subparagraph 1 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of the mine it operates, for the fiscal year,

under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1, in respect of class 3A property or class 4A property, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of that expression, up to the portion of that excess amount that is reasonably attributable to the operation of the mine.

**“10.14.** Where, because of section 10.6, one or more of an operator’s properties included in any of classes 1, 2, 3 and 4 are deemed, immediately after the time of the transfer, to have become properties of any of classes 1A, 2A, 3A and 4A (in this section referred to as the “new class”), the adjustment amount the operator may deduct in computing the mine-mouth output value in respect of a mine it operates, for a particular fiscal year, in relation to the new class, under subparagraph *c* of subparagraph 2 of the second paragraph of section 8.1.1, is equal to

(1) in relation to any of classes 1A, 2A and 3A, the proportion of the amount that is required to be included in computing the mine-mouth output value in respect of the mine, for the particular fiscal year, in relation to the new class, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1 that the amount determined under paragraph 2 of section 10.8 in relation to the new class is of the total of the amount determined under that paragraph 2 and any depreciation allowance granted to the operator in respect of the property of the new class under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1; or

(2) in relation to class 4A, the lesser of

(*a*) the proportion of the amount that is required to be included in computing the mine-mouth output value in respect of the mine, for the particular fiscal year, in relation to the new class, under subparagraph *e* of subparagraph 1 of the second paragraph of section 8.1.1 that the amount determined under paragraph 2 of section 10.8 in relation to the new class is of the total of the amount determined under that paragraph 2 and any depreciation allowance granted to the operator in respect of the property of the new class under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1, and

(*b*) the amount by which the amount determined under paragraph 2 of section 10.8 in relation to the new class exceeds the aggregate of all amounts each of which is an adjustment amount the operator deducted, in relation to the new class, under subparagraph *c* of subparagraph 2 of the second paragraph of section 8.1.1 for a fiscal year preceding the particular fiscal year, in respect of the mine or any other mine it operated in that preceding fiscal year, or for the particular fiscal year, in respect of another mine it operates in the particular fiscal year.

**“10.15.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8 and subparagraph *e* of subparagraph 2 of the second paragraph of section 8.1.1, if, at the end of a fiscal year, an operator no longer owns class 1A property or class 2A property, the amount that the operator is required to deduct in computing its annual earnings from a mine for the fiscal year, and in computing the mine-mouth output value in respect of the mine for the fiscal year, in respect of property of that class, is equal to the proportion of the amount determined under the second paragraph that the use of the property of the class that is reasonably attributable to the operation of the mine for the fiscal year is of the total use of that property in the fiscal year.

The amount referred to in the first paragraph is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of the class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression.

**“10.16.** For the purposes of subparagraph *f* of subparagraph 2 of the fourth paragraph of section 8 and subparagraph *e* of subparagraph 2 of the second paragraph of section 8.1.1, if, at the end of a fiscal year, an operator no longer owns class 3A property or class 4A property, the amount that the operator is required to deduct in computing its annual earnings from a mine for the fiscal year, and in computing the mine-mouth output value in respect of the mine, for the fiscal year, in respect of property of that class, is equal to the amount by which the aggregate of the amounts referred to in subparagraphs *a* to *d* of paragraph 1 of the definition of “undepreciated capital cost” in the first paragraph of section 9, in respect of property of that class, exceeds the aggregate of the amounts referred to in subparagraphs *a* to *h* of paragraph 2 of the definition of that expression, up to the portion of the excess amount that is reasonably attributable to the operation of the mine.

**“10.17.** In computing the annual earnings from a mine an operator operates for a fiscal year, the operator is required to deduct for the fiscal year, as a depreciation allowance in respect of class 1A property, class 2A property, class 3A property and class 4A property, under subparagraph *b* of subparagraph 2 of the fourth paragraph of section 8, an amount equal to the amount the operator deducted as such for the fiscal year in computing the mine-mouth output value in respect of the mine under subparagraph *b* of subparagraph 2 of the second paragraph of section 8.1.1.

*“§5. — Deemed alienation of property*

**“10.18.** Persons or partnerships ceasing, for an indeterminate period, all activities that relate to their mining operation are deemed to alienate, at the time (in this paragraph referred to as the “time of the alienation”) that is immediately before the time the fiscal year in which those activities cease ends, in accordance with section 2.1, each of their properties of a class for proceeds of alienation equal to the lesser of the fair market value of the property at the time of the alienation and the capital cost of the property at that time.

Persons or partnerships resuming, at any time, their activities that relate to the mining operation referred to in the first paragraph are deemed to reacquire, at that time, each of the properties referred to in the first paragraph and owned by them at that time for a capital cost equal to the lesser of the fair market value of the property at that time and the proceeds of alienation of the property determined in accordance with the first paragraph.

**“10.19.** Operators ceasing, at any time and otherwise than in the circumstances described in section 10.18, to actually use in their mining operation a class 1 property, a class 1A property, a class 2 property or a class 2A property, or to regularly use in their mining operation a class 3 property, a class 3A property, a class 4 property or a class 4A property, are deemed to alienate the property at that time for proceeds of alienation equal to the lesser of the fair market value of the property at that time and its capital cost at that time and to reacquire it after that time for a capital cost equal to those proceeds of alienation.”

(2) Subsection 1, when it enacts sections 10.6 to 10.17 of the Act, applies to a fiscal year that begins after 31 December 2013.

(3) Subsection 1, when it enacts section 10.18 of the Act, applies to persons or partnerships ceasing all activities that relate to their mining operation at a time that occurs after 5 May 2013.

(4) Subsection 1, when it enacts section 10.19 of the Act, applies to persons or partnerships ceasing to use a property in their mining operation at a time that occurs after 5 May 2013.

**24.** (1) Section 14 of the Act is repealed.

(2) Subsection 1 applies from 1 January 2014. In addition, when section 14 of the Act applies after 30 March 2010, it is to be read as if “section 10” was replaced by “section 10 or 10.1.1”.

**25.** (1) Section 16.3 of the Act is amended by replacing “in section 9” in paragraph 1 by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**26.** (1) Section 16.15 of the Act is amended by replacing “of section 9” in paragraph 1 by “of the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**27.** (1) Section 19.4 of the Act is amended by replacing “in section 9” in paragraph 1 by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**28.** (1) The Act is amended by inserting the following section before section 21:

**“20.1.** Subject to section 25, the amount that an operator may deduct as a processing allowance in computing its annual earnings from a mine for a fiscal year that begins after 31 December 2013, under subparagraph *d* of subparagraph 2 of the fourth paragraph of section 8, and in computing the mine-mouth output value in respect of a mine it operates, for such a fiscal year, under subparagraph *d* of subparagraph 2 of the second paragraph of section 8.1.1, must not exceed the lesser of

(1) the aggregate of the amounts determined by the following formula in respect of each property of the operator (in this section referred to as the “particular property”) that is a processing asset used in processing ore from the mine in the fiscal year and that is in the operator’s possession at the end of the fiscal year:

A × B; and

(2) an amount corresponding to the greater of

(a) 75% of the operator’s annual earnings from the mine, for the fiscal year, determined without reference to subparagraphs *d*, *e*, *g* and *h* of subparagraph 2 of the fourth paragraph of section 8, and

(b) 30% of the operator’s mine-mouth output value in respect of the mine, for the fiscal year, determined without reference to subparagraph *d* of subparagraph 2 of the second paragraph of section 8.1.1.

In the formula in subparagraph 1 of the first paragraph,

(1) A is the proportion that the use of the particular property in processing ore from the mine is of the total use of the particular property for the purpose of processing ore from the mine and for any other purpose in the fiscal year; and

(2) B is an amount equal to,

(a) if the operator does not engage in smelting or refining, 10% of the capital cost to the operator of the particular property,

(b) if the operator engages in smelting or refining exclusively outside Québec,

i. 10% of the capital cost of the particular property where the property is used solely in processing ore from a gold or silver mine, or

ii. the amount by which 13% of the capital cost of the particular property, where the property is used in processing ore other than ore from a gold or silver

mine, exceeds 3% of the proportion of the capital cost of the particular property, where it is used for concentration purposes, that the quantity of ore concentrated by the operator, which is not smelted or refined by the operator and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property, or

(c) if the operator engages in smelting or refining in Québec,

i. 10% of the capital cost of the particular property where the property is used solely in processing ore from a gold or silver mine, or

ii. the amount by which 20% of the capital cost of the particular property, where the property is used in processing ore other than ore from a gold or silver mine, exceeds the aggregate of 7% of the proportion of the capital cost of the particular property that the quantity of ore that is smelted or refined by the operator outside Québec and the processing of which required the use of the particular property is of the total quantity of ore the processing of which required the use of the particular property, and 10% of the proportion of the capital cost of the particular property, where it is used for concentration purposes, that the quantity of ore concentrated by the operator, which is not smelted or refined by the operator and the processing of which required the use of the particular property, is of the total quantity of ore the processing of which required the use of the particular property.”

(2) Subsection 1 applies from 1 January 2014.

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

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

“**21.** Subject to section 25, the amount that an operator may deduct as a processing allowance in computing its annual earnings from a mine for a fiscal year that begins after 30 March 2010 but before 1 January 2014, under subparagraph *d* of subparagraph 2 of the fourth paragraph of section 8, must not exceed the lesser of”;

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

“(1) the aggregate of the amounts determined by the following formula in respect of each property of the operator (in this section referred to as the “particular property”) that is a processing asset used in processing ore from the mine in the fiscal year and that is in the operator’s possession at the end of the fiscal year:

$A \times B$ ; and”;

(3) by replacing subparagraph 1 of the second paragraph in the French text by the following subparagraph:

“1° la lettre A représente le rapport entre l’usage du bien donné dans le traitement de minerai provenant de cette mine et l’usage total du bien donné aux fins du traitement de minerai provenant de cette mine et à une autre fin au cours de l’exercice financier;”.

(2) Paragraph 1 of subsection 1 applies from 1 January 2014.

**30.** (1) Section 25 of the Act is replaced by the following section:

**“25.** Where the fiscal year of an operator comprises fewer than 12 months, the amount determined under subparagraph 2 of the second paragraph of section 20.1 or 21 must be reduced by the proportion of the amount that the number of days by which 365 exceeds the number of days in the fiscal year is of 365.”

(2) Subsection 1 applies from 1 January 2014.

**31.** (1) Section 26.0.1 of the Act is amended by replacing “section 9” in the portion of the second and third paragraphs before subparagraph 1 by “the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**32.** (1) The Act is amended by inserting the following before section 30:

#### **“DIVISION I**

#### **“MINING TAX ON ANNUAL PROFIT**

**“29.1.** An operator’s mining tax on its annual profit for a fiscal year that begins after 31 December 2013 is equal to the aggregate of

(1) the amount determined by the formula

16% (A × B/C);

(2) the amount determined by the formula

22% (A × D/C); and

(3) the amount determined by the formula

28% (A × E/C).

In the formulas in the first paragraph,

- (1) A is the operator's annual profit for the fiscal year;
- (2) B is 35% or, if it is lesser, the operator's profit margin for the fiscal year;
- (3) C is the operator's profit margin for the fiscal year;
- (4) D is 15% or, if it is lesser, the amount by which the operator's profit margin for the fiscal year exceeds 35%; and
- (5) E is the amount by which the operator's profit margin for the fiscal year exceeds 50%.

For the purposes of the second paragraph, an operator's profit margin for a fiscal year means the proportion that the operator's annual profit for the fiscal year is of the aggregate of all amounts each of which is the gross value of the operator's annual output, for the fiscal year, from a mine it operates in the fiscal year.

For the purpose of determining the profit margin of an operator for a fiscal year, the following rules apply:

- (1) where the annual profit of the operator for the fiscal year is greater than the aggregate described in the third paragraph for the fiscal year, the operator's profit margin for the fiscal year is deemed to be equal to 100%; and
  - (2) where the aggregate described in the third paragraph for the fiscal year is equal to zero, the aggregate is deemed to be equal to \$1."
- (2) Subsection 1 applies from 1 January 2014.

**33.** (1) Section 30 of the Act is replaced by the following section:

**"30.** The amount that an operator is required to pay, under the second paragraph of section 5, as duties for a fiscal year that begins before 1 January 2014 is equal to the amount obtained by multiplying its annual profit for the fiscal year by its tax rate for the fiscal year."

- (2) Subsection 1 applies from 1 January 2014.

**34.** (1) The Act is amended by inserting the following after section 30:

## **"DIVISION II**

### **"MINIMUM MINING TAX**

**"30.1.** An operator's minimum mining tax for a fiscal year that begins after 31 December 2013 is equal to the aggregate of

- (1) the amount obtained by multiplying 1% by the lesser of

(a) the aggregate of all amounts each of which is the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year, and

(b) the operator's reduced-rate taxable amount for the fiscal year; and

(2) the amount obtained by multiplying 4% by the amount by which the aggregate of all amounts each of which is the operator's mine-mouth output value for the fiscal year in respect of a mine it operates in the fiscal year exceeds the operator's reduced-rate taxable amount for the fiscal year.

**“30.2.** For the purposes of section 30.1, an operator's reduced-rate taxable amount for a fiscal year is equal to

(1) if the operator is not a member of an associated group in the fiscal year, \$80,000,000; and

(2) if the operator is a member of an associated group in the fiscal year, an amount attributed for the fiscal year to the operator pursuant to the agreement described in the second paragraph and filed with the Minister in the form prescribed by the Minister or, if no amount is attributed to the operator under the agreement or in the absence of such an agreement, zero.

The agreement to which subparagraph 2 of the first paragraph refers is the agreement under which all the operators that are members of the associated group in the fiscal year attribute for the fiscal year to one or more of their number, for the purposes of this section, one or more amounts the total of which does not exceed \$80,000,000.

If the aggregate of the amounts attributed, for a fiscal year, pursuant to an agreement described in the second paragraph and entered into with the operators that are members of an associated group in the fiscal year exceeds \$80,000,000, the amount determined under subparagraph 2 of the first paragraph in respect of each of those operators for the fiscal year is deemed, for the purposes of this section, to be equal to the proportion of \$80,000,000 that that amount is of the aggregate of the amounts attributed for the fiscal year under the agreement.

For the purposes of this section, an associated group in a fiscal year means all the operators that are associated with each other at any time in the fiscal year.

**“30.3.** If an operator that is a member of an associated group, within the meaning of the fourth paragraph of section 30.2, fails to file with the Minister the agreement described in the second paragraph of that section within 30 days after notice in writing by the Minister has been sent to any of the operators that are members of that group that such an agreement is required for the purposes of an assessment under this Act, the Minister may, for the purposes of subparagraph *b* of paragraph 1 of section 30.1 and paragraph 2 of that section, attribute an amount to one or more of those operators for the fiscal year, which

amount or the aggregate of which amounts must be equal to \$80,000,000, and in such a case, despite subparagraph 2 of the first paragraph of section 30.2, the reduced-rate taxable amount of each of the operators is equal to the amount so attributed to it.

**“30.4.** Where the fiscal year of an operator comprises fewer than 12 months, the operator’s reduced-rate taxable amount for the fiscal year is equal to the proportion of that amount, determined in accordance with sections 30.2 and 30.3, that the number of days in the fiscal year is of 365.”

(2) Subsection 1 applies from 1 January 2014.

**35.** The heading of Chapter V of the Act is replaced by the following heading:

“DUTIES CREDIT”.

**36.** (1) The Act is amended by inserting the following before Division II of Chapter V:

**“DIVISION I.1**

**“NON-REFUNDABLE DUTIES CREDIT ON ACCOUNT OF MINIMUM MINING TAX**

**“31.3.** An operator may deduct, from its duties otherwise payable under section 5 for a particular fiscal year that begins after 31 December 2013, an amount equal to the lesser of

(1) the amount by which the operator’s mining tax on its annual profit for the particular fiscal year, determined under section 29.1, exceeds its minimum mining tax for the fiscal year, determined under section 30.1; and

(2) the cumulative balance on account of the operator’s minimum mining tax at the end of the particular fiscal year.

The cumulative balance on account of an operator’s minimum mining tax at the end of a particular fiscal year is equal to the aggregate of the cumulative balance on account of the operator’s minimum mining tax, as determined, before that time, under paragraph 8.1 of section 35.3, if applicable, and of the amount by which the aggregate of all amounts each of which is an amount deducted by the operator, in accordance with this division, for a fiscal year preceding the particular fiscal year is exceeded by the aggregate of all amounts each of which is an amount determined, for a fiscal year preceding the particular fiscal year, by the formula

$$A - B.$$

In the formula in the second paragraph,

(1) A is the operator's minimum mining tax for the preceding fiscal year, determined under section 30.1; and

(2) B is the operator's mining tax on its annual profit for the preceding fiscal year, determined under section 29.1."

(2) Subsection 1 applies from 1 January 2014.

**37.** The heading of Division II of Chapter V of the Act is replaced by the following heading:

"REFUNDABLE DUTIES CREDIT FOR LOSSES".

**38.** (1) Section 32 of the Act is amended, in the first paragraph,

(1) by replacing "credit on duties refundable for losses" in the portion before subparagraph 1 by "refundable duties credit for losses";

(2) by replacing the portion of subparagraph 4 before subparagraph *a* by the following:

"(4) if the operator is an eligible operator, the amount obtained by multiplying, for a fiscal year that begins after 30 March 2010 but before 1 January 2014, its tax rate for that fiscal year and, for a fiscal year that begins after 31 December 2013, 16% by the lesser of";

(3) by replacing the portion of subparagraph 5 before subparagraph *a* by the following:

"(5) if the operator is not an eligible operator, the amount obtained by multiplying, for a fiscal year that begins after 30 March 2010 but before 1 January 2014, its tax rate for that fiscal year and, for a fiscal year that begins after 31 December 2013, 16% by the lesser of".

(2) Paragraphs 2 and 3 of subsection 1 apply from 1 January 2014.

**39.** (1) Section 32.0.1 of the Act is amended

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

"(1) the amount determined under section 20.1 or 21 for the fiscal year, as if that section were read without reference to subparagraph 2 of its first paragraph; and";

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

"(c) if the fiscal year begins after 30 March 2010 but before 1 January 2014, 55%, or";

(3) by adding the following subparagraph after subparagraph *c* of paragraph 2:

“(d) if the fiscal year begins after 31 December 2013, 75%.”

(2) Subsection 1 applies from 1 January 2014. In addition, when paragraph 1 of section 32.0.1 of the Act applies after 30 March 2010 and before 1 January 2014, it is to be read as follows:

“(1) the amount determined under section 21 for the fiscal year, as if that section were read without reference to subparagraph 2 of its first paragraph; and”.

**40.** (1) Section 35.3 of the Act is amended

(1) by striking out paragraph 7;

(2) by inserting the following paragraph after paragraph 8:

“(8.1) for the purposes of Division I.1 of Chapter V, the cumulative balance on account of a predecessor legal person’s minimum mining tax, determined immediately before the amalgamation, is deemed, immediately after the amalgamation, to be the cumulative balance on account of the new legal person’s minimum mining tax;”.

(2) Paragraph 2 of subsection 1 applies from 1 January 2014.

**41.** (1) Section 35.4 of the Act is amended

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

“(3) for the purposes of sections 20.1 and 21, the capital cost of the property to the purchaser is deemed to be equal to the capital cost of the property to the former owner;”;

(2) by replacing “in section 9” in paragraph 5 by “in the first paragraph of section 9”.

(2) Subsection 1 applies from 1 January 2014.

**42.** (1) The Act is amended by inserting the following after section 35.5:

## “CHAPTER V.2

### “ANTI-AVOIDANCE

“**35.6.** For the purposes of this Act, where an operator alienates, in a fiscal year, directly or indirectly, in favour of an entity with which it is associated in the fiscal year, all or part of mineral substances and, if applicable, of processing products from the operation of a mine, where the associated entity

would be considered to have performed mining operation work in respect of those mineral substances and, if applicable, of those processing products if it had itself extracted those mineral substances and where, in the Minister's opinion, it may reasonably be considered that one of the main reasons for the separate existence of the operator and the associated entity, in the fiscal year, is to reduce the amount of duties that would otherwise be payable under this Act or to increase the non-refundable duties credit on account of the minimum mining tax or the refundable duties credit for losses that may be claimed for the fiscal year, the operator is deemed, for the fiscal year and in respect of those mineral substances, to be the same person as the associated entity and to have performed all the mining operation work in respect of those mineral substances and, if applicable, of those processing products that the associated entity would be so considered to have performed."

(2) Subsection 1 applies to a fiscal year of an operator that begins after 5 May 2013.

**43.** (1) Section 36 of the Act is amended by replacing the portion of the first paragraph before subparagraph 1 by the following:

**"36.** Every operator shall, within six months after the end of its fiscal year, file with the Minister a mining duties return in the form prescribed by the Minister, accompanied by".

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2013.

**44.** (1) Section 39 of the Act is replaced by the following section:

**"39.** The Minister shall examine an operator's return sent to the Minister for a fiscal year and determine the duties payable for the fiscal year, interest and penalties, if any, and also the refundable duties credit for losses of the operator for the fiscal year."

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2013.

**45.** (1) Section 43 of the Act is amended by replacing the portion before paragraph 1 by the following:

**"43.** The Minister may redetermine the duties, interest and penalties under this Act, and also the refundable duties credit for losses, if any, and make a reassessment or an additional assessment, as the case may be,".

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2013.

**46.** (1) Section 46.0.1 of the Act is amended by inserting "and begins before 1 January 2014" after "30 March 2010" in the second paragraph.

(2) Subsection 1 applies from 1 January 2014.

**47.** (1) Section 46.0.2 of the Act is amended by inserting “and begins before 1 January 2014” after “30 March 2010” in the second paragraph.

(2) Subsection 1 applies from 1 January 2014.

**48.** Section 46.1 of the Act is amended by replacing “credit on duties refundable for losses” by “refundable duties credit for losses”.

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

“**48.1.** Where section 35.6 applies, for a fiscal year, to an operator and an entity associated with the operator, in relation to all or part of mineral substances and, if applicable, of processing products from the operation of a mine, the operator and the associated entity are solidarily liable for the payment of the duties payable for the fiscal year and reasonably attributable to mining operation work relating to those mineral substances and, if applicable, to those processing products.”

(2) Subsection 1 applies to a fiscal year that begins after 5 May 2013.

**50.** Section 59.2 of the Act is amended by replacing “refundable credit on duties” by “refundable duties credit”.

**51.** Section 60 of the Act is amended by replacing “credit on duties refundable for losses” in the second paragraph by “refundable duties credit for losses”.

**52.** This Act comes into force on *(insert the date of assent to this Act)*.