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# NATIONAL ASSEMBLY

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FIRST SESSION

FORTIETH LEGISLATURE

Bill 59

**An Act to amend the Taxation Act, the  
Act respecting the Québec sales tax and  
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 the Taxation Act to give effect to measures announced in Information Bulletin 2013-6 dated 3 July 2013 to encourage cultural philanthropy. The amendments deal with*

*(1) the introduction of an additional tax credit of 25% for a first major cultural gift;*

*(2) the implementation of a 30% tax credit for cultural patronage by individuals; and*

*(3) an increase of the eligible amount of a gift of a work of public art or of an immovable to be used for cultural purposes.*

*This bill also gives effect to Information Bulletins 2012-4 dated 31 May 2012 and 2013-7 dated 11 July 2013 and to the Budget Speech delivered on 20 November 2012 as regards the contribution of financial institutions and the introduction of a temporary refundable tax credit for damage insurance firms.*

*Moreover, it amends the Tax Administration Act, the Taxation Act and the Act respecting the Québec sales tax to make amendments similar to those made to the Income Tax Act of Canada and to the Excise Tax Act by Bill C-38 (Statutes of Canada, 2012, chapter 19) assented to on 29 June 2012, Bills C-44 (Statutes of Canada, 2012, chapter 27) and C-45 (Statutes of Canada, 2012, chapter 31) both assented to on 14 December 2012, and Bills C-48 (Statutes of Canada, 2013, chapter 34) and C-60 (Statutes of Canada, 2013, chapter 33) both assented to on 26 June 2013. It thus gives effect mainly to harmonization measures announced in Information Bulletins 2012-4 dated 31 May 2012, 2012-5 dated 6 July 2012, 2012-6 dated 21 December 2012, 2013-2 dated 22 March 2013 and 2013-7 dated 11 July 2013. More specifically, the amendments deal with*

*(1) the electronic filing of fiscal returns prepared by tax preparers;*

*(2) judicial authorization to obtain information in respect of unnamed persons;*

*(3) the tax treatment of payments granted by the federal government to the parents of victims of crime;*

- (4) various adjustments to thin capitalization rules;*
- (5) the abolition of the tax credit for employment out of Canada;*
- (6) the relaxation of certain provisions in respect of registered disability savings plans;*
- (7) pooled registered pension plans;*
- (8) the introduction of a special tax on profit sharing plan surpluses;*
- (9) retirement income splitting;*
- (10) tax avoidance through the use of partnerships;*
- (11) the information required from businesses so that a net tax refund can be paid; and*
- (12) the exemption for health care services and the zero-rated status of certain health-related supplies in sales tax matters.*

*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);
- Unclaimed Property Act (chapter B-5.1);
- Tobacco Tax Act (chapter I-2);
- Taxation Act (chapter I-3);
- Act to facilitate the payment of support (chapter P-2.2);
- Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1);
- Act respecting the Québec sales tax (chapter T-0.1).



## Bill 59

### AN ACT TO AMEND THE TAXATION ACT, THE ACT RESPECTING THE QUÉBEC SALES TAX AND VARIOUS LEGISLATIVE PROVISIONS

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### TAX ADMINISTRATION ACT

**1.** (1) The Tax Administration Act (chapter A-6.002) is amended by inserting the following section after section 37.1.3:

**“37.1.4.** A tax preparer shall send to the Minister by way of electronic filing, according to the terms and conditions specified by the Minister, the fiscal returns prepared by the tax preparer, for consideration, for one or more persons in accordance with section 1000 of the Taxation Act (chapter I-3), except that 10 of the returns filed by the tax preparer for one or more corporations and 10 of the returns filed by the tax preparer for one or more individuals may be sent otherwise than by way of electronic filing.

The first paragraph does not apply to a tax preparer for a calendar year in respect of a fiscal return

(a) of a type for which the tax preparer has applied for authorization to file by way of electronic filing for the year and for which that authorization has not been granted because the tax preparer did not meet the criteria referred to in section 37.1;

(b) filed for a corporation described in any of subparagraphs *a* to *c* of the first paragraph of section 37.1.2R1 of the Regulation respecting fiscal administration (chapter A-6.002, r. 1); or

(c) of a type that the Minister does not accept by way of electronic filing.

For the purposes of this section and section 59.0.0.2, “tax preparer”, for a calendar year, means a person or partnership who, in the year, and in accordance with section 1000 of the Taxation Act, prepares, for consideration, more than 10 fiscal returns for one or more corporations or more than 10 fiscal returns for one or more individuals (other than trusts), but does not include an employee who prepares fiscal returns in the course of performing the duties of an employment.”

(2) Subsection 1 applies in respect of a return filed after 31 December 2012 in relation to a taxation year subsequent to the taxation year 2011.

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

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

**“39.** For the administration and enforcement of a fiscal law, in particular for the recovery of an amount owed by a person under such a law, the Minister may, by a formal demand, require from any person, whether or not the person is liable to pay a duty, that the person file within a reasonable time fixed in the demand”;

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

“The Minister may also apply to a judge of the Court of Québec, acting in chambers, for authorization to send a person such a formal demand concerning one or more unnamed persons, on the conditions that the judge considers reasonable in the circumstances.”

(2) Paragraph 2 of subsection 1 applies in respect of an application for authorization filed after (*insert the date of assent to this Act*).

**3.** (1) Section 39.0.1 of the Act is repealed.

(2) Subsection 1 applies in respect of an authorization obtained following an application filed after (*insert the date of assent to this Act*).

**4.** (1) The Act is amended by inserting the following section after section 59.0.0.1:

**“59.0.0.2.** Every person who fails to send a fiscal return in the manner provided for in section 37.1.4 incurs a penalty equal to

(a) \$25 for each such failure in respect of a return of an individual; and

(b) \$100 for each such failure in respect of a return of a corporation.”

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

**5.** (1) Section 91.1 of the Act is amended by replacing “, 37.1.2 and 37.1.3” in the first paragraph by “ and 37.1.2 to 37.1.4”.

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

**6.** (1) The Act is amended by inserting the following section after section 93.1.15.2:

**“93.1.15.3.** An appeal may be brought before the Court of Québec from the determination of the fair market value of a property disposed of by a taxpayer, where the fair market value has been confirmed or redetermined by the Minister of Culture and Communications under section 710.2.8 or 752.0.10.4.0.8 of the Taxation Act (chapter I-3).

The appeal must be brought within 90 days after the day on which the Minister of Culture and Communications has issued, under section 710.2.9 or 752.0.10.4.0.9 of the Taxation Act, the certificate confirming or redetermining the fair market value of the property.”

(2) Subsection 1 has effect from 4 July 2013.

**7.** (1) Section 93.1.21.1 of the Act is replaced by the following section:

**“93.1.21.1.** In the course of an appeal brought under section 93.1.15.2 or 93.1.15.3, the Court may confirm or vary the amount determined to be the fair market value of a property. The amount determined by the Court is deemed to be the fair market value of the property determined by the Minister of Sustainable Development, Environment and Parks or by the Minister of Culture and Communications, as the case may be.”

(2) Subsection 1 has effect from 4 July 2013.

## UNCLAIMED PROPERTY ACT

**8.** Section 35 of the Unclaimed Property Act (chapter B-5.1) is amended by replacing the first paragraph by the following paragraph:

**“35.** For the purposes of this Act, any person authorized for that purpose by the Minister may, by a formal demand, require from any person, whether or not the person is subject to an obligation under this Act, that the person file within a reasonable time specified in the demand, information or documents, including a statement, return or report.”

**9.** (1) Section 36 of the Act is amended by replacing the first paragraph by the following paragraph:

**“36.** An authorized person referred to in section 35 may apply to a judge of the Court of Québec, acting in chambers, for authorization to send a person the formal demand referred to in section 35 concerning one or more unnamed persons, on the conditions that the judge considers reasonable in the circumstances.”

(2) Subsection 1 applies in respect of an application for authorization filed after (*insert the date of assent to this Act*).

**10.** (1) Section 37 of the Act is repealed.

(2) Subsection 1 applies in respect of an authorization obtained following an application filed after (*insert the date of assent to this Act*).

## TOBACCO TAX ACT

**11.** Section 3 of the Tobacco Tax Act (chapter I-2) is replaced by the following section:

**“3.** No person may engage in the retail sale of tobacco in an establishment in Québec unless a registration certificate has been issued to that person under Title I of the Act respecting the Québec sales tax (chapter T-0.1) and is in force at that time with regard to the retail sale of tobacco in that establishment.”

## TAXATION ACT

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

(1) by replacing the definition of “pension benefit” by the following definition:

““pension benefit” includes any amount received under a pension plan, including, except for the purposes of section 317, any amount received under a pooled registered pension plan, and also includes any payment made to a beneficiary under the plan, or to an employer or former employer of the beneficiary in accordance with the conditions of the plan, following any change made in it or resulting from its winding-up;”;

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

““pooled registered pension plan” or “PRPP” means a plan that has been accepted for the purposes of the Income Tax Act by the Minister of National Revenue as a PRPP and whose registration is in force;”.

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

**13.** (1) Section 2.2 of the Act is replaced by the following section:

**“2.2.** For the purposes of the definitions of “joint spousal trust” and “post-1971 spousal trust” in section 1, sections 2.1, 312.3, 312.4, 313 to 313.0.5, 336.0.2, 336.0.3, 336.0.6 to 336.4, 440 to 441.2, 454, 454.1, 456.1, 462.0.1, 462.0.2 and 651, the definition of “pre-1972 spousal trust” in section 652.1, sections 653, 656.3, 656.3.1, 656.5, 657, 660, 890.0.1 and 913, subparagraph *b* of the second paragraph of section 961.17, sections 965.0.9 and 965.0.11, Title VI.0.2 of Book VII, sections 971.2 and 971.3 and Divisions II.11.3, II.11.6 and II.11.7 of Chapter III.1 of Title III of Book IX, “spouse” and “former spouse” of a particular individual include another individual who is a party to an annulled or annulable marriage, as the case may be, with the particular individual.”



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

**14.** (1) Section 2.2.1 of the Act is amended by replacing “ending before that time” in subparagraph *a* of the first paragraph by “ending at that time”.

(2) Subsection 1 applies for the purpose of determining whether a person is the spouse of a taxpayer for the taxation year 2001 or a subsequent taxation year, except that subsection does not apply for the purpose of determining whether a person is the spouse of a taxpayer for a taxation year to which a valid election, made under section 144 of the Modernization of Benefits and Obligations Act (Statutes of Canada, 2000, chapter 12), applied before 27 February 2004. However, after 26 February 2004, no such election may be made in respect of a current or subsequent taxation year.

**15.** (1) Section 7.18.1 of the Act is replaced by the following section:

**“7.18.1.** For the purposes of subparagraph ii of paragraph *b* of section 649, paragraph *c* of section 898.1.1, sections 905.0.11, 935.22 and 965.0.21, subparagraphs i to iv of paragraph *c.2* of section 998, paragraph *b* of sections 1117 and 1120 and any regulations made under paragraphs *c.3* and *c.4* of section 998 and under section 1108, where a trust or corporation holds an interest as a member of a partnership and, by operation of any law governing the arrangement in respect of the partnership, the liability of the member as a member of the partnership is limited, the member shall not, solely because of its acquisition and holding of that interest, be considered to carry on any business or other activity of the partnership.”

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

**16.** (1) Section 7.27 of the Act is amended by adding the following paragraph after paragraph *j*:

“(k) of a work of public art, the fair market value of which is determined by the Minister of Culture and Communications, referred to in subparagraph i of subparagraph *b* of the second paragraph of section 716.0.1.1 or 752.0.10.15.1 or the second paragraph of section 716.0.1.2 or 752.0.10.15.2.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**17.** (1) Section 38 of the Act is amended by inserting the following subparagraph after subparagraph *a* of the first paragraph:

“(a.1) a pooled registered pension plan;”.

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

**18.** (1) The Act is amended by inserting the following section after section 38.2:

**“38.3.** Despite subparagraph *b* of the first paragraph of section 38, an individual is required in computing the individual’s income for the year to include the value of benefits derived from contributions paid in respect of the individual in the year by the individual’s employer under a group insurance plan, in relation to coverage against the loss of all or part of the income from an office or employment, to the extent that the benefit arising from that plan is not payable periodically.”

(2) Subsection 1 applies from the taxation year 2013. However, when section 38.3 of the Act applies to the taxation year 2013, it is to be read as follows:

**“38.3.** Despite subparagraph *b* of the first paragraph of section 38, an individual is required in computing the individual’s income for the year to include the value of benefits derived from contributions paid in respect of the individual in the year or, where they are attributable to coverage offered after 31 December 2012, after 28 March 2012 and before 1 January 2013 by the individual’s employer under a group insurance plan, in relation to coverage against the loss of all or part of the income from an office or employment, to the extent that the benefit arising from that plan is not payable periodically.”

**19.** (1) Section 47.6 of the Act is amended

(1) by replacing “Aux fins” in the first paragraph in the French text by “Pour l’application”;

(2) by inserting “a.1,” after “any of subparagraphs *a*,” in the second paragraph.

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

**20.** (1) Section 47.16 of the Act is amended

(1) by replacing “Aux fins” in the portion before paragraph *a* in the French text by “Pour l’application”;

(2) by inserting the following paragraph after paragraph *a*:

“(a.1) a pooled registered pension plan;”.

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

**21.** (1) The Act is amended by inserting the following section after section 70.1:

**“70.1.1.** An individual may deduct an amount that is an excess profit sharing plan amount (as defined in section 1129.66.9) of the individual for the year, other than any portion of the excess profit sharing plan amount for which

the individual's tax for the year under section 1129.66.10 is waived or cancelled.”

(2) Subsection 1 applies from the taxation year 2012.

**22.** (1) Section 78 of the Act is amended

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

**“78.** An individual may deduct, in computing the individual's income for a taxation year, any amount paid by the individual in the year, or on behalf of the individual in the year if the amount paid on behalf of the individual is required to be included in computing the individual's income for the year, as office rent or salary to an assistant or substitute or for supplies consumed directly in the performance of duties if the individual's contract of employment requires the individual to pay such amounts and, as the case may be, furnish such supplies.”;

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

“However, no such amounts may be deducted for the year by the individual unless the individual submits to the Minister, with the fiscal return filed for the year by the individual under this Part, a prescribed form signed by the individual's employer certifying that the conditions set out in the first paragraph were met in the year in respect of the individual.”

(2) Subsection 1 has effect from 26 June 2013.

**23.** (1) Section 87 of the Act is amended by inserting the following paragraph after paragraph *m*:

“(m.1) the aggregate of all amounts each of which is an amount determined, in relation to a partnership, in accordance with section 87.0.1;”.

(2) Subsection 1 applies to a taxation year that begins after 28 March 2012.

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

**“87.0.1.** The amount that a taxpayer is required to include under paragraph *m.1* of section 87 in computing the taxpayer's income for a taxation year in respect of a partnership is determined by the formula

$$A \times B - C.$$

In the formula in the first paragraph,

(a) A is the aggregate of all amounts each of which is an amount of interest that is

i. deductible by the partnership, and

ii. paid by the partnership in, or payable by the partnership in respect of, the taxation year of the taxpayer (depending on the method regularly followed by the taxpayer in computing the taxpayer's income) on a debt amount included, in accordance with section 171, in the taxpayer's outstanding debts to specified persons not resident in Canada;

(b) B is the proportion determined under section 170 in respect of the taxpayer for the taxation year; and

(c) C is the aggregate of all amounts each of which is an amount included under section 580 in computing the income of the taxpayer for the taxation year or a subsequent taxation year, or of the partnership for a fiscal period, that may reasonably be considered to be in respect of an amount of interest described in subparagraph *a*.

For the purposes of subparagraph ii of subparagraph *a* of the second paragraph,

“debt amount” has the meaning assigned by paragraph *a* of section 174.1;

“specified person not resident in Canada” has the meaning assigned by subparagraph *c* of the first paragraph of section 172.”

(2) Subsection 1 applies to a taxation year that begins after 28 March 2012.

**25.** (1) The Act is amended by inserting the following section after section 87.2:

**“87.2.1.** Paragraph *g* of section 87 does not defer the inclusion in computing the income of any amount that would, but for that paragraph, have been included in computing the income of a taxpayer in accordance with sections 80 to 82.”

(2) Subsection 1 has effect from 26 June 2013.

**26.** (1) Section 137 of the Act is replaced by the following section:

**“137.** There may be deducted in computing an employer's income for a taxation year such amount as is deductible in computing that income for the year to the extent provided in section 965.0.2 or 965.0.23.”

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

**27.** (1) Section 161 of the Act is amended by inserting “a pooled registered pension plan,” after “a registered pension plan,” in paragraph *a*.

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

**28.** (1) Section 169 of the Act is replaced by the following section:

**“169.** Despite any other provision of this Part, except section 174.2, a corporation resident in Canada shall not make any deduction in respect of the proportion, determined in section 170, of any amount otherwise deductible in computing its income for the year, in respect of interest paid or payable by it on outstanding debts to specified persons not resident in Canada.”

(2) Subsection 1 applies to a taxation year that ends after 28 March 2012.

**29.** (1) Section 170 of the Act is amended

(1) by replacing “réfère l’article 169” in the first paragraph in the French text by “l’article 169 fait référence”;

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

“The amount to which the first paragraph refers is equal to the amount by which the corporation’s average outstanding debts for the year exceeds the amount equal to 150% of the total of”;

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

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

(2) Paragraph 2 of subsection 1 applies from a taxation year that begins after 31 December 2012.

(3) Paragraph 3 of subsection 1 has effect from 29 March 2012.

**30.** (1) The Act is amended by inserting the following sections after section 174:

**“174.1.** For the purposes of sections 87.0.1 and 169 to 174 and this section, each member of a partnership at a particular time is deemed at that time

(a) to owe the portion (in this section referred to as the “debt amount”) of any debt or other obligation to pay an amount of the partnership that is equal to the following proportion of the debt or other obligation:

i. the agreed proportion, in respect of the member of the partnership, determined for the partnership's last fiscal period ending at or before the end of the taxation year referred to in section 169 and at a time when the member is a member of the partnership, and

ii. if no agreed proportion may be determined, in respect of the member of the partnership, in accordance with subparagraph i, the proportion that the fair market value of the member's interest in the partnership at the particular time is of the fair market value of all interests in the partnership at the particular time;

(b) to owe the debt amount to the person to whom the partnership owes the debt or other obligation to pay an amount; and

(c) to have paid interest on the debt amount that is deductible in computing the member's income to the extent that an amount in respect of interest paid or payable on the debt amount by the partnership is deductible in computing the partnership's income.

**“174.2.** Any amount in respect of interest paid or payable to a controlled foreign affiliate of a corporation resident in Canada that would otherwise not be deductible by the corporation for a taxation year because of section 169 may be deducted to the extent that an amount included under section 580 in computing the corporation's income for the year or a subsequent year can reasonably be considered to be in respect of the interest.”

(2) Subsection 1, when it enacts section 174.1 of the Act, applies to a taxation year that begins after 28 March 2012.

(3) Subsection 1, when it enacts section 174.2 of the Act, applies to a taxation year that ends after 31 December 2004.

**31.** (1) Section 175.2 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) making a contribution to a registered pension plan, a pooled registered pension plan or a deferred profit sharing plan, other than a contribution described in paragraph *b* or *c* of section 71, as they read for the taxation year 1990, that was required to be made pursuant to an obligation entered into before 13 November 1981, or an amount deductible under section 137 or paragraph *b* of section 158 in computing the taxpayer's income;”.

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

**32.** (1) Section 311 of the Act is amended by inserting the following paragraph after paragraph *k.0.1*:

“(k.0.2) a program established under the authority of the Department of Human Resources and Skills Development Act (Statutes of Canada, 2005,

chapter 34) in respect of children who are deceased or missing as a result of an offence, or a probable offence, under the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46);”.

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

**33.** (1) The Act is amended by inserting the following section after section 313.12:

**“313.13.** A taxpayer shall also include any amount that is required to be included in computing the taxpayer’s income for the year under Title VI.0.2 of Book VII.”

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

**34.** (1) Section 336 of the Act is amended by inserting the following paragraph after paragraph *d.3.1*:

“(d.3.2) the aggregate of all amounts each of which is an amount paid in the year as a repayment of an amount that was included because of paragraph *k.0.2* of section 311 in computing the taxpayer’s income for the year or a preceding taxation year;”.

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

**35.** (1) Section 336.8 of the Act is amended by replacing paragraph *a* of the definition of “eligible retirement income” in the first paragraph by the following paragraph:

“(a) if the individual has reached 65 years of age before the end of the year or, if the individual ceased to be resident in Canada in the year, on the last day on which the individual was resident in Canada, the total of

i. the aggregate of all amounts each of which is an amount that the individual included in computing the individual’s income for the year and that is described in section 752.0.8, or that would be so described if section 752.0.10 were read without reference to its paragraph *f*, and

ii. the lesser of

(1) the aggregate of all amounts each of which is a payment made in the year to the individual out of or under a retirement compensation arrangement that provides benefits that supplement the benefits provided under a registered pension plan (other than an individual pension plan for the purposes of Part LXXXIII of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement)), and in respect of a life annuity attributable to periods of employment for which benefits are also provided to the individual under the registered pension plan, and

(2) the amount by which the defined benefit limit (as defined by subsection 1 of section 8500 of the Income Tax Regulations made under the Income Tax Act) for the year multiplied by 35 exceeds the amount determined under subparagraph i; or”.

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

**36.** (1) Section 467.1 of the Act is amended by inserting “a pooled registered pension plan,” after “a registered pension plan,” in paragraph *a*.

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

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

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

“(d) a transaction by which an insurance corporation converts contributed surplus related to its insurance business (other than any portion of that contributed surplus that arose in connection with an investment to which subsection 2 of section 212.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) applies) into paid-up capital in respect of shares of its capital stock;

“(e) a transaction by which a bank converts contributed surplus resulting from the issuance of shares of its capital stock (other than any portion of that contributed surplus that arose in connection with an investment to which subsection 2 of section 212.3 of the Income Tax Act applies) into paid-up capital in respect of shares of its capital stock; or”;

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

“(f) a transaction by which a corporation, other than an insurance corporation or a bank, converts into paid-up capital in respect of a particular class of shares of its capital stock any of its contributed surplus (other than any portion of that contributed surplus that arose in connection with an investment to which subsection 2 of section 212.3 of the Income Tax Act applies) resulting, after 31 March 1977,”.

(2) Subsection 1 has effect from 29 March 2012.

**38.** (1) The Act is amended by inserting the following section after section 560.1.2:

**“560.1.2.0.1.** For the purposes of subparagraph *b* of the first paragraph of section 560, where the particular capital property is an interest of a subsidiary in a partnership, the fair market value of the interest at the time the parent last acquired control of the subsidiary is deemed to be equal to the amount determined by the formula



A – B.

In the formula in the first paragraph,

(a) A is the fair market value (determined without reference to this section) of the interest of the subsidiary in the partnership at the time the parent last acquired control of the subsidiary; and

(b) B is the portion of the amount by which the fair market value (determined without reference to this section) of the interest of the subsidiary in the partnership at the time the parent last acquired control of the subsidiary exceeds its cost amount at that time as may reasonably be regarded as attributable at that time to the aggregate of all amounts each of which is

i. in the case of a depreciable property held directly by the partnership or held indirectly by the partnership through one or more other partnerships, the amount by which the fair market value (determined without reference to liabilities) of the property exceeds its cost amount,

ii. in the case of a Canadian resource property or a foreign resource property held directly by the partnership or held indirectly by the partnership through one or more other partnerships, the fair market value (determined without reference to liabilities) of the property, or

iii. in the case of a property that is not a capital property, a Canadian resource property or a foreign resource property and that is held directly by the partnership or held indirectly through one or more other partnerships, the amount by which the fair market value (determined without reference to liabilities) of the property exceeds its cost amount.

For the purposes of subparagraph *a* of the second paragraph, the fair market value of an interest of the subsidiary in a particular partnership at the time the parent last acquired control of the subsidiary is deemed not to include the amount that is the aggregate of all amounts each of which is equal to the fair market value of a property that would otherwise be included in computing the fair market value of the interest, if

(a) as part of the transaction or event or series of transactions or events in which control of the subsidiary is last acquired by the parent and on or before the acquisition of control,

i. the subsidiary disposes of the property to the particular partnership or any other partnership and the second paragraph of section 614 applies in respect of the disposition, or

ii. where the property is an interest in a partnership, the subsidiary acquires the interest in the particular partnership or any other partnership from a person or partnership with whom the subsidiary does not deal at arm's length (otherwise than because of a right referred to in paragraph *b* of section 20) and Divisions I to IV of Chapter IV apply in respect of the acquisition; and

(b) at the time of the acquisition of control, the particular partnership holds directly, or indirectly through one or more other partnerships, property described in any of subparagraphs i to iii of subparagraph *b* of the second paragraph.”

(2) Subsection 1, when it enacts the first and second paragraphs of section 560.1.2.0.1 of the Act, applies in respect of an amalgamation that occurs after 28 March 2012 or of a winding-up that begins after that date, other than — if a taxable Canadian corporation (in this subsection and subsection 4 referred to as the “parent corporation”) has acquired control of another taxable Canadian corporation (in this subsection and subsection 4 referred to as the “subsidiary corporation”) — an amalgamation of the parent corporation and the subsidiary corporation that occurs before 1 January 2013, or a winding-up of the subsidiary corporation into the parent corporation that begins before the latter date, if

(1) the parent corporation acquired control of the subsidiary corporation before 29 March 2012 or was obligated as evidenced in writing to acquire control of the subsidiary before that date; and

(2) the parent corporation had the intention as evidenced in writing to amalgamate with, or wind up, the subsidiary corporation before 29 March 2012.

(3) Subsection 1, when it enacts the third paragraph of section 560.1.2.0.1 of the Act, applies in respect of a disposition made after 13 August 2012 other than a disposition made before 1 January 2013 pursuant to an obligation under a written agreement entered into before 14 August 2012 by parties that deal with each other at arm’s length.

(4) For the purposes of paragraph 1 of subsection 2, the parent corporation is not considered to be obligated to acquire control of the subsidiary corporation, and for the purposes of subsection 3, the parties are not considered to be obligated to make a disposition if, as a result of amendments to the Act, the parent corporation or any of the parties, as the case may be, may be excused from that obligation.

**39.** (1) Section 614 of the Act is amended

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

“Despite any other provision of this Part, other than section 93.3.1 and the third paragraph, where a taxpayer disposes of any property that is a capital property, Canadian resource property, foreign resource property, incorporeal capital property or inventory to a partnership that, immediately after the disposition, is a Canadian partnership of which the taxpayer is a member, and the taxpayer and all the other members of the partnership make a valid election for the purposes of subsection 2 of section 97 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in respect of the disposition or, where that election cannot be made because of subsection 21.2

of section 13 of that Act, make an election, in the prescribed form referred to in the first paragraph of section 520.1, the following rules apply.”;

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

“The second paragraph does not apply in respect of a disposition of a property by a taxpayer to a partnership if

(a) as part of a transaction or event or series of transactions or events that includes the disposition

i. control of a taxable Canadian corporation is acquired by another taxable Canadian corporation (in this paragraph referred to as the “subsidiary” and the “parent”, respectively),

ii. the subsidiary is amalgamated with one or more other corporations in the course of an amalgamation to which section 550.9 applies or is wound up in accordance with Chapter VII of Title IX, and

iii. the parent designates an amount in accordance with paragraph *d* of subsection 1 of section 88 of the Income Tax Act in respect of an interest in a partnership;

(b) the disposition of the property occurs after the acquisition of control of the subsidiary;

(c) the property is a capital property whose disposition may not be the subject of a valid election for the purposes of subsection 2 of section 97 of the Income Tax Act because of subsection 21.2 of section 13 of that Act but could, in the absence of this paragraph, be the subject of an election under the second paragraph given the inapplicability of section 93.3.1 in respect of the disposition; and

(d) the subsidiary is the taxpayer or has, before the disposition of the property, directly or indirectly in any manner whatever, an interest in the taxpayer.”

(2) Subsection 1 applies in respect of a disposition made after 28 March 2012.

**40.** (1) Section 637 of the Act is amended

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

“**637.** If, as part of a transaction or event or series of transactions or events, a taxpayer disposes of an interest in a particular partnership and an interest in the partnership is acquired by a person or partnership described in any of paragraphs *a* to *d* of section 637.1, the taxpayer’s taxable capital gain

from the disposition of the interest is deemed, despite section 231, to be equal to the total of

(a) subject to the second paragraph, 1/2 of the portion of the taxpayer's capital gain for the year from the disposition that can reasonably be attributed to the increase in the value of a property of the particular partnership that is capital property other than depreciable property held directly or indirectly by the particular partnership through one or more other partnerships; and";

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

"However, where the taxation year of the taxpayer includes 28 February 2000 or 17 October 2000, or begins after 28 February 2000 and ends before 17 October 2000, the reference to the fraction "1/2" in subparagraph *a* of the first paragraph, as it read in respect of that taxation year, is to be read as a reference to the fraction in paragraphs *a* to *d* of section 231.0.1 that applies to the taxpayer for the year."

(2) Subsection 1 applies in respect of a disposition made after 28 March 2012. However,

(1) when it applies in respect of a disposition made before 14 August 2012, the portion of the first paragraph of section 637 of the Act before subparagraph *b* is to be read as follows:

**"637.** If, as part of a transaction or event or series of transactions or events, a taxpayer disposes of an interest in a partnership and the interest is acquired by a person exempt from tax under sections 980 to 999.1 or by a person not resident in Canada, the taxpayer's taxable capital gain from the disposition of the interest is deemed, despite section 231, to be equal to the total of

(a) 1/2 of the portion of the taxpayer's capital gain for the year from the disposition that can reasonably be attributed to the increase in the value of any capital property of the partnership other than depreciable property; and"; and

(2) it does not apply in respect of a disposition of an interest in a partnership made by a taxpayer before 1 January 2013 to a person with whom the taxpayer deals at arm's length if the taxpayer was obligated to dispose of the interest to the person pursuant to a written agreement entered into before 29 March 2012; in that respect, a taxpayer is not considered to be obligated to dispose of an interest in a partnership if, as a result of amendments to the Act, the taxpayer may be excused from the obligation.

**41.** (1) The Act is amended by inserting the following sections after section 637:

**"637.1.** Subject to section 637.2, section 637 applies in respect of a disposition of a partnership interest by a taxpayer if the interest is acquired by

- (a) a person exempt from tax under sections 980 to 999.1;
- (b) a person not resident in Canada;
- (c) another partnership to the extent that the interest can reasonably be considered to be held, at the time of its acquisition by the other partnership, indirectly through one or more partnerships, by a person that is
  - i. a person exempt from tax under sections 980 to 999.1,
  - ii. a person not resident in Canada, or
  - iii. a trust resident in Canada (other than a mutual fund trust) if
    - (1) an interest as a beneficiary under the trust is held, directly or indirectly through one or more other partnerships, by a person exempt from tax under sections 980 to 999.1 or by a trust (other than a mutual fund trust), and
    - (2) the fair market value of all the interests as beneficiaries under the trust held by persons referred to in subparagraph 1 exceeds 10% of the fair market value of all the interests as beneficiaries under the trust; or
- (d) a trust resident in Canada (other than a mutual fund trust) to the extent that the trust can reasonably be considered to have a beneficiary that is
  - i. a person exempt from tax under sections 980 to 999.1,
  - ii. a partnership, if
    - (1) an interest in the partnership is held, whether directly or indirectly through one or more other partnerships, by one or more persons exempt from tax under sections 980 to 999.1 or by one or more trusts (other than mutual fund trusts), and
    - (2) the fair market value of all the interests in the partnership held by persons referred to in subparagraph 1 exceeds 10% of the fair market value of all the interests in the partnership, or
  - iii. another trust (other than a mutual fund trust), if
    - (1) at least one beneficiary under the other trust is a person exempt from tax under sections 980 to 999.1, a partnership or a trust (other than a mutual fund trust), and
    - (2) the fair market value of all the interests as beneficiaries under the other trust held by the persons referred to in subparagraph 1 exceeds 10% of the fair market value of all the interests as beneficiaries under the other trust.

**“637.2.** Section 637 does not apply in respect of a taxpayer’s disposition of a partnership interest to a partnership or trust described in paragraph *c* or *d* of section 637.1 if the extent to which section 637 would, but for this section, apply to the taxpayer’s disposition of the interest because of that paragraph *c* or *d* does not exceed 10% of the taxpayer’s interest.

The first paragraph does not apply in respect of a disposition to a trust under which the amount of the income or capital to be distributed at any time in respect of any interest as a beneficiary under the trust depends on the exercise by any person or partnership of, or the failure by any person or partnership to exercise, a power to appoint.

**“637.3.** Section 637 does not apply in respect of a taxpayer’s disposition of a partnership interest to a person not resident in Canada if

(*a*) property of the partnership is used, immediately before and immediately after the acquisition of the interest by that person, in carrying on a business in an establishment situated in Canada; and

(*b*) the fair market value of all the property referred to in paragraph *a* is not less than 90% of the fair market value of all property of the partnership.

**“637.4.** The rules of the second paragraph apply in respect of a taxpayer’s particular interest in a partnership if

(*a*) it may be reasonable to conclude that one of the purposes of a dilution, reduction or alteration of the particular interest was to avoid the application of section 637 in respect of the particular interest; and

(*b*) as part of a transaction or event or series of transactions or events that includes the dilution, reduction or alteration of the particular interest, there is

i. an acquisition of an interest in the partnership by a person or partnership described in any of paragraphs *a* to *d* of section 637.1, or

ii. an increase in, or alteration of, an interest in the partnership held by a person or partnership described in any of paragraphs *a* to *d* of section 637.1.

For the purposes of section 637,

(*a*) the taxpayer is deemed to have disposed of an interest in the partnership at the time of the dilution, reduction or alteration;

(*b*) the taxpayer is deemed to have a capital gain from the disposition equal to the amount by which the fair market value of the particular interest immediately before the time of the dilution, reduction or alteration exceeds the fair market value of the particular interest immediately after that time; and

(c) the person or partnership referred to in subparagraph *b* of the first paragraph is deemed to have acquired an interest in the partnership as part of the transaction or event or series of transactions or events that includes the disposition referred to in subparagraph *a*.”

(2) Subsection 1, when it enacts sections 637.1, 637.2 and 637.4 of the Act, has effect from 14 August 2012, but does not apply in respect of a disposition, dilution, reduction or alteration of an interest in a partnership if the disposition, dilution, reduction or alteration is made before 1 January 2013 by persons that deal with each other at arm’s length and pursuant to an obligation resulting from a written agreement entered into before 14 August 2012 and if no party to the agreement may be exempted from the obligation as a result of amendments to the Act.

(3) Subsection 1, when it enacts section 637.3 of the Act, has effect from 29 March 2012.

**42.** (1) Section 647 of the Act is amended by inserting “a pooled registered pension plan,” after “a registered pension plan,” in subparagraph *a* of the third paragraph.

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

**43.** Section 710.2.1 of the Act is amended by striking out “, the Conseil du patrimoine culturel du Québec”.

**44.** (1) The Act is amended by inserting the following section after section 710.2.1:

**“710.2.1.1.** Despite section 710.2.1, for the purposes of paragraph *a* of section 422, subparagraph ii of paragraph *c* of that section and sections 710 to 716.0.11, where the Minister of Culture and Communications determines an amount to be the fair market value of a property that is the subject of a gift made by a taxpayer on or before the day that is two years after the time that amount is determined and referred to in paragraph *a* of section 710, the following rules apply:

(a) the amount so determined is deemed to be the fair market value of the property at the time of the gift or, for the purposes of section 716, its fair market value otherwise determined at that time; and

(b) subject to section 716, the amount so determined is deemed to be the taxpayer’s proceeds of disposition of the property.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**45.** (1) The Act is amended by inserting the following sections after section 710.2.5:

**“710.2.6.** A corporation may request, by notice in writing to the Minister of Culture and Communications, a determination of the fair market value of a property (other than a cultural property described in the third paragraph of section 232) it disposes of or proposes to dispose of and that would, if the disposition were made and the documents referred to in section 716.0.1.3 were issued by the Minister of Culture and Communications in respect of the property, be a gift described in subparagraph *b* of the second paragraph of section 716.0.1.1 or in section 716.0.1.2.

**“710.2.7.** The Minister of Culture and Communications shall with all due dispatch make a determination of the fair market value of a property that is the subject of a request referred to in section 710.2.6 and give notice of the determination in writing to the corporation that has disposed of, or that proposes to dispose of, the property.

However, no such determination is made if the request is received by the Minister of Culture and Communications more than three years after the end of the corporation’s taxation year in which the disposition occurred.

**“710.2.8.** Where the Minister of Culture and Communications has, in accordance with section 710.2.7, notified a corporation of the amount determined to be the fair market value of a property it has disposed of or proposes to dispose of, the following rules apply:

(*a*) on receipt of a written request made by the corporation on or before the day that is 90 days after the day that the corporation was so notified, the Minister of Culture and Communications shall with all due dispatch confirm or redetermine the fair market value;

(*b*) the Minister of Culture and Communications may, on that Minister’s own initiative, at any time redetermine the fair market value;

(*c*) in the cases referred to in paragraphs *a* and *b*, the Minister of Culture and Communications shall notify the corporation in writing of the confirmation or redetermination; and

(*d*) any such redetermination is deemed to replace all preceding determinations and redeterminations of the fair market value of the property from the time at which the first such determination was made.

**“710.2.9.** Where the Minister of Culture and Communications determines the fair market value of a property in accordance with section 710.2.7, or redetermines that fair market value in accordance with section 710.2.8, and the property has been the subject of a gift described in subparagraph *b* of the second paragraph of section 716.0.1.1 or in section 716.0.1.2, that Minister shall issue to the corporation who made the disposition a certificate that states the fair market value of the property so determined or redetermined and send a copy of that certificate to the donee and the Minister.



Where the Minister of Culture and Communications has issued more than one certificate in respect of the same property, the last certificate is deemed to replace all preceding certificates from the time at which the first certificate was issued.”

(2) Subsection 1 has effect from 4 July 2013.

**46.** (1) Section 710.3 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) to a certificate issued under section 710.2.5 or 710.2.9 or to a decision of a court resulting from an appeal under section 93.1.15.2 or 93.1.15.3 of the Tax Administration Act (chapter A-6.002).”

(2) Subsection 1 has effect from 4 July 2013.

**47.** (1) Section 710.4 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the fair market value of a recognized gift with reserve of usufruct or use, in relation to a work of art or a cultural property described in the third paragraph of section 232, is deemed to be equal to the product obtained by multiplying the amount of the fair market value of the work of art or of the cultural property, as the case may be, otherwise determined with reference to sections 710.1, 710.2, 710.2.1, 710.2.1.1, 714.2 and 716 by the appropriate percentage determined in section 710.5.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**48.** (1) Section 714.1 of the Act is amended

(1) by replacing “réfère le premier alinéa” in the second paragraph in the French text by “le premier alinéa fait référence”;

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

“This section does not apply where a corporation makes a gift of a work of art referred to in section 716.0.1.2 to a donee described in subparagraph *c* of the second paragraph of that section.”

(2) Paragraph 2 of subsection 1 applies in respect of a gift made after 3 July 2013.

**49.** (1) Section 716.0.1.1 of the Act is replaced by the following section:

**“716.0.1.1.** For the purpose of determining the amount that is deductible under paragraphs *a* and *d* of section 710 in computing the taxable income of a corporation for a taxation year, the eligible amount of a gift described in the second paragraph is to be increased by 1/4 of that amount.

The gift to which the first paragraph refers is

(a) a gift of a work of art to a Québec museum; or

(b) any of the following gifts if the fair market value of the property that is the subject of the gift is determined under any of sections 710.1, 710.2, 710.2.1 and 710.2.1.1:

i. unless it is described in subparagraph *a*, a gift of a work of public art that meets the following conditions:

(1) it is made to the State, except an educational institution that is a mandatary of the State, or

(2) a certificate has been issued by the Minister of Culture and Communications in respect of the work for the purposes of this section,

ii. a gift of an eligible immovable if a qualification certificate has been issued by the Minister of Culture and Communications in respect of the building for the purposes of this section, or

iii. a gift of an eligible immovable to any of the following entities that acquires the building with a view to carrying on all or part of its activities in it:

(1) a registered charity operating in Québec in the field of arts or culture,

(2) a registered cultural or communications organization, or

(3) a registered museum.

For the purposes of subparagraphs ii and iii of subparagraph *b* of the second paragraph, an eligible immovable means a building situated in Québec, including the land subjacent to it and such portion of any contiguous land as can reasonably be regarded as contributing to the use and enjoyment of the building.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**50.** (1) The Act is amended by inserting the following sections after section 716.0.1.1:

**“716.0.1.2.** For the purpose of determining the amount that is deductible under paragraphs *a* and *d* of section 710 in computing the taxable income of a corporation for a taxation year, the eligible amount of a gift of a work of public art described in the second paragraph is to be increased by 1/2 of that amount if the fair market value of the work is determined under any of sections 710.1, 710.2, 710.2.1 and 710.2.1.1.

The gift to which the first paragraph refers is the gift of a work of public art in respect of which a certificate has been issued by the Minister of Culture and Communications for the purposes of this section and that is made to

- (a) an educational institution that is a mandatary of the State;
- (b) a school board governed by the Education Act (chapter I-13.3) or the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14); or
- (c) a registered charity whose mission is teaching and that is
  - i. an educational institution established under an Act of the Parliament of Québec, other than an institution described in subparagraph *a*,
  - ii. a college governed by the General and Vocational Colleges Act (chapter C-29),
  - iii. a private educational institution accredited for subsidies purposes under the Act respecting private education (chapter E-9.1), or
  - iv. a university-level educational institution referred to in any of paragraphs 1 to 11 of section 1 of the Act respecting educational institutions at the university level (chapter E-14.1).

**“716.0.1.3.** No corporation is entitled to an increase of the eligible amount of a gift for a taxation year, in relation to a gift described in subparagraph *b* of the second paragraph of section 716.0.1.1 or in section 716.0.1.2, unless it files with the Minister, together with the fiscal return it is required to file under section 1000 for the year, the following documents issued by the Minister of Culture and Communications:

- (a) in relation to a gift of a work of public art,
  - i. in respect of which subparagraph 1 of subparagraph *i* of subparagraph *b* of the second paragraph of section 716.0.1.1 applies, a copy of any certificate relating to the fair market value of the work, or
  - ii. in respect of which subparagraph 2 of subparagraph *i* of subparagraph *b* of the second paragraph of section 716.0.1.1 or section 716.0.1.2 applies, a copy of the certificate relating to the work and of any certificate relating to the fair market value of the work; or
- (b) in relation to the gift of an eligible immovable,
  - i. in respect of which subparagraph *ii* of subparagraph *b* of the second paragraph of section 716.0.1.1 applies, a copy of the qualification certificate relating to the building and of any certificate relating to the fair market value of the immovable, or

ii. in respect of which subparagraph iii of subparagraph *b* of the second paragraph of section 716.0.1.1 applies, a copy of any certificate relating to the fair market value of the immovable.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**51.** (1) Section 725.7.2 of the Act is amended by replacing “as defined in” by “as defined in the first paragraph of”.

(2) Subsection 1 applies from 1 January 2014.

**52.** (1) Section 726.6 of the Act is amended by inserting “, a pooled registered pension plan” after “a registered pension plan” in subparagraph 1 of subparagraph i of subparagraph *a.2* of the first paragraph.

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

**53.** (1) Section 737.25 of the Act is amended by replacing the portion of the first paragraph before subparagraph *a* by the following:

**“737.25.** An individual resident in Québec in a taxation year who, throughout a period of not less than 30 consecutive days that commenced in the year or a preceding taxation year, performed substantially all the duties of the individual’s employment outside Canada may deduct, in computing the individual’s taxable income for the year, the product obtained by multiplying the amount determined in respect of the individual for the year under section 737.26 in respect of that period by the percentage specified in respect of the individual for the year under section 737.26.1 where”.

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

**54.** (1) Section 737.26 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of the first paragraph and despite the definition of “basic income” in section 737.24, no amount may be included in computing an individual’s basic income or regarded as an out-of-Canada living allowance for a taxation year in respect of the individual’s employment by an employer

(*a*) if

i. the employer carries on a business of providing services and does not employ in the business throughout the year more than five full-time employees,

ii. the individual does not deal at arm’s length with the employer, or is a specified shareholder of the employer, or, where the employer is a partnership, does not deal at arm’s length with a member of the partnership, or is a specified shareholder of a member of the partnership, and

iii. but for the existence of the employer, the individual would reasonably be regarded as an employee of a person or partnership that is not a specified employer; or

(b) if at any time in that portion of the period described in the first paragraph of section 737.25 that is in the year

i. the employer provides the services of the individual to a corporation, trust or partnership with which the employer does not deal at arm's length, and

ii. the fair market value of all the issued shares of the capital stock of the corporation or of all interests in the trust or partnership, as the case may be, that are held, directly or indirectly, by persons who are resident in Canada is less than 10% of the fair market value of all those shares or interests, as the case may be.”

(2) Subsection 1 applies to a taxation year that begins after 26 June 2013.

**55.** (1) The Act is amended by inserting the following section after section 737.26:

**“737.26.1.** The percentage referred to in the first paragraph of section 737.25 in respect of an individual for a taxation year is equal to

(a) 75%, where the taxation year is the year 2013;

(b) 50%, where the taxation year is the year 2014;

(c) 25%, where the taxation year is the year 2015; and

(d) 0%, for a taxation year subsequent to the year 2015.

For the purposes of the first paragraph, the percentage specified in any of subparagraphs *a* to *c* of that paragraph in respect of an individual is to be replaced by a percentage of 100% where the duties of the individual's employment outside Canada are in connection with a contract that was committed to in writing before 1 January 2013 by a specified employer of the individual.”

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

**56.** (1) Section 752.0.8 of the Act is amended

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

“i. a payment in respect of a life annuity out of or under a pension plan (other than a pooled registered pension plan) or a specified pension plan,”;

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

“iii.2. an amount included under Title VI.0.2 of Book VII,”.

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

**57.** (1) Section 752.0.10.0.2 of the Act, amended by section (*insert the number of the section in Bill 34 that amends section 752.0.10.0.2 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 paragraph *c* of the definition of “excluded work income” by the following paragraph:

“(c) an amount attributable to a period in which the individual is under 65 years of age.”

(2) Subsection 1 applies from the taxation year 2012.

**58.** (1) The heading of Chapter I.0.2.1 of Title I of Book V of Part I of the Act is replaced by the following heading:

“TAX CREDITS FOR GIFTS”.

(2) Subsection 1 has effect from 4 July 2013.

**59.** (1) Section 752.0.10.1 of the Act is amended, in the first paragraph,

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

““eligible cultural donee” means

(a) a registered charity operating in Québec in the field of arts or culture;

(b) a registered cultural or communications organization;

(c) a registered museum;

(d) a museum established under the National Museums Act (chapter M-44);  
or

(e) a museum situated in Québec and established under the Museums Act (Statutes of Canada, 1990, chapter 3);

““patronage gift” of an individual, other than a trust, means a gift of money made by the individual, in one or more instalments, in the same taxation year and after 3 July 2013, to an eligible cultural donee if the eligible amount of the gift is

(a) at least \$25,000, where the gift is made in satisfaction of a registered pledge; or

(b) at least \$250,000, in any other case;”;

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

““major cultural gift” of an individual, other than a trust, for a taxation year means the eligible amount of a gift of money, up to \$25,000, made by the individual after 3 July 2013 but before 1 January 2018, in one or more instalments, in the year or in any of the four preceding taxation years, to an eligible cultural donee if

(a) the eligible amount of the gift is at least \$5,000; and

(b) the conditions set out in section 752.0.10.2.1 are met in respect of that amount;

““registered pledge” means a pledge recorded by the Minister of Culture and Communications in the register created by that Minister under section 752.0.10.15.4;”;

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

““qualified total major cultural gift” of an individual, other than a trust, for a taxation year means

(a) where the individual dies in the year or in the following taxation year, the lesser of the major cultural gift of the individual for the year and the individual’s income for the year; and

(b) in any other case, the lesser of the major cultural gift of the individual for the year and 75% of the individual’s income for the year;

““qualified total patronage gifts” of an individual, other than a trust, for a taxation year means

(a) where the individual dies in the year or in the following taxation year, the lesser of the total patronage gifts of the individual for the year and the amount by which the individual’s income for the year exceeds the qualified total charitable gifts of the individual for the year; and

(b) in any other case, the lesser of the total patronage gifts of the individual for the year and the amount by which 75% of the individual’s income for the year exceeds the qualified total charitable gifts of the individual for the year;”;

(4) by replacing the definition of “total charitable gifts” by the following definition:

““total charitable gifts” of an individual for a taxation year means the aggregate of all amounts each of which is the eligible amount of a gift (other than a gift described in any of the definitions of “total Crown gifts” of the individual for the year, “total cultural gifts” of the individual for the year, “total gifts of qualified property” of the individual for the year and “total musical instrument gifts” of the individual for the year, or a gift the eligible amount of which is taken into account in computing the amount deducted by the individual under section 752.0.10.6.2 for the year or for a preceding taxation year) made by the individual in the year or in any of the five preceding taxation years to a qualified donee, if the conditions set out in section 752.0.10.2 are met in respect of that amount;”;

(5) by replacing the portion of the definition of “total gifts of qualified property” before paragraph *a* by the following:

““total gifts of qualified property” of an individual for a taxation year means the aggregate of all amounts each of which is the eligible amount of a gift the fair market value of which is certified by the Minister of Sustainable Development, Environment and Parks, other than a gift described in the definitions of “total Crown gifts” of the individual for the year and “total cultural gifts” of the individual for the year, made by the individual in the year or in any of the five preceding taxation years, if the conditions set out in section 752.0.10.2 are met in respect of that amount, to”;

(6) by striking out “(chapter M-44)” in paragraph *b* of the definition of “total cultural gifts”;

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

““total patronage gifts” of an individual, other than a trust, for a taxation year means the aggregate of all amounts each of which is the eligible amount of a patronage gift (other than a gift the eligible amount of which was taken into account in computing the amount deducted by the individual for the year or for a preceding taxation year under section 752.0.10.6 or 752.0.10.6.1) made by the individual in the year or in any of the five preceding taxation years, if the conditions set out in section 752.0.10.2.2 are met in respect of that amount;”.

(2) Paragraphs 1 to 4, 6 and 7 of subsection 1 apply from the taxation year 2013.

**60.** (1) Section 752.0.10.2 of the Act is amended

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

**“752.0.10.2.** The conditions to which the definitions of “total charitable gifts”, “total Crown gifts”, “total cultural gifts”, “total gifts of qualified property” and “total musical instrument gifts” in the first paragraph of section 752.0.10.1 refer in respect of an amount for a taxation year in relation to an individual are as follows:”;



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

“(b) the amount was not taken into account in determining an amount that was deducted under section 752.0.10.6 in computing the individual’s tax payable under this Part for a preceding taxation year, or in determining an amount that was deducted under section 118.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in computing the individual’s tax payable under that Act for a preceding taxation year in respect of which the individual was not subject to tax under this Part.”

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

**61.** (1) The Act is amended by inserting the following sections after section 752.0.10.2:

**“752.0.10.2.1.** The conditions to which the definition of “major cultural gift” in the first paragraph of section 752.0.10.1 refers in respect of an amount for a taxation year in relation to an individual, other than a trust, are as follows:

(a) the amount was not taken into account in determining an amount that was deducted under section 752.0.10.6.1 in computing the individual’s tax payable under this Part for a preceding taxation year; and

(b) the amount was not taken into account in determining an amount that was deducted under section 118.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in computing the individual’s tax payable under that Act for a preceding taxation year in respect of which the individual was not subject to tax under this Part.

**“752.0.10.2.2.** The conditions to which the definition of “total patronage gifts” in the first paragraph of section 752.0.10.1 refers in respect of an amount for a taxation year in relation to an individual, other than a trust, are as follows:

(a) the amount was not taken into account in determining an amount that was deducted under section 752.0.10.6.2 in computing the individual’s tax payable under this Part for a preceding taxation year; and

(b) the amount was not taken into account in determining an amount that was deducted under section 118.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in computing the individual’s tax payable under that Act for a preceding taxation year in respect of which the individual was not subject to tax under this Part.”

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

**62.** (1) Section 752.0.10.3 of the Act is amended

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

**“752.0.10.3.** The amount that is the eligible amount of a gift is not to be considered to be a major cultural gift for a taxation year nor to be included in the total charitable gifts, total Crown gifts, total cultural gifts, total gifts of qualified property, total musical instrument gifts or total patronage gifts of an individual for a taxation year, unless the making of the gift is proven by

(*a*) subject to the second paragraph, a receipt for the gift filed with the Minister that meets the prescribed requirement and contains in a clear and unalterable manner the prescribed statement and the prescribed information; and”;

(2) by adding the following paragraphs:

“The receipt evidencing a major cultural gift or a patronage gift need not be filed with the Minister, but must be kept by the individual for six years after the year to which it relates.

In addition, if a patronage gift is made in satisfaction of a pledge made by an individual, the amount that is the eligible amount of the gift may not be included in the total patronage gifts of the individual for a taxation year unless the individual provides the registration number of the pledge.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**63.** Section 752.0.10.4.0.1 of the Act is amended by striking out “, the Conseil du patrimoine culturel du Québec”.

**64.** (1) The Act is amended by inserting the following section after section 752.0.10.4.0.1:

**“752.0.10.4.0.1.1.** Despite section 752.0.10.4.0.1, for the purposes of paragraph *a* of section 422, subparagraph ii of paragraph *c* of that section, section 436 and this chapter, where the Minister of Culture and Communications determines an amount to be the fair market value of a property that is the subject of a gift made by an individual on or before the day that is two years after the time that amount is determined and referred to in the definition of “total charitable gifts” in the first paragraph of section 752.0.10.1, the following rules apply:

(*a*) the amount so determined is deemed to be the fair market value of the property at the time of the gift or, for the purposes of sections 752.0.10.12 and 752.0.10.13, its fair market value otherwise determined at that time; and

(*b*) subject to sections 752.0.10.12 and 752.0.10.13, the amount so determined is deemed to be the individual’s proceeds of disposition of the property.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**65.** (1) The Act is amended by inserting the following sections after section 752.0.10.4.0.5:

**“752.0.10.4.0.6.** An individual may request, by notice in writing to the Minister of Culture and Communications, a determination of the fair market value of a property (other than a cultural property described in the third paragraph of section 232) the individual disposes of or proposes to dispose of and that would, if the disposition were made and the documents referred to in section 752.0.10.15.3 were issued by the Minister of Culture and Communications in respect of the property, be a gift described in subparagraph *b* of the second paragraph of section 752.0.10.15.1 or in section 752.0.10.15.2.

**“752.0.10.4.0.7.** The Minister of Culture and Communications shall with all due dispatch make a determination of the fair market value of a property that is the subject of a request referred to in section 752.0.10.4.0.6 and give notice of the determination in writing to the individual who has disposed of, or who proposes to dispose of, the property.

However, no such determination is made if the request is received by the Minister of Culture and Communications more than three years after the end of the individual’s taxation year in which the disposition occurred.

**“752.0.10.4.0.8.** Where the Minister of Culture and Communications has, in accordance with section 752.0.10.4.0.7, notified an individual of the amount determined to be the fair market value of a property the individual has disposed of or proposes to dispose of, the following rules apply:

(*a*) on receipt of a written request made by the individual on or before the day that is 90 days after the day that the individual was so notified, the Minister of Culture and Communications shall with all due dispatch confirm or redetermine the fair market value;

(*b*) the Minister of Culture and Communications may, on that Minister’s own initiative, at any time redetermine the fair market value;

(*c*) in the cases referred to in paragraphs *a* and *b*, the Minister of Culture and Communications shall notify the individual in writing of the confirmation or redetermination; and

(*d*) any such redetermination is deemed to replace all preceding determinations and redeterminations of the fair market value of the property from the time at which the first such determination was made.

**“752.0.10.4.0.9.** Where the Minister of Culture and Communications determines the fair market value of a property in accordance with section 752.0.10.4.0.7, or redetermines that fair market value in accordance with section 752.0.10.4.0.8, and the property has been the subject of a gift described in subparagraph *b* of the second paragraph of section 752.0.10.15.1 or in section 752.0.10.15.2, that Minister shall issue to the individual who made

the disposition a certificate that states the fair market value of the property so determined or redetermined and send a copy of that certificate to the donee and the Minister.

Where the Minister of Culture and Communications has issued more than one certificate in respect of the same property, the last certificate is deemed to replace all preceding certificates from the time at which the first certificate was issued.”

(2) Subsection 1 has effect from 4 July 2013.

**66.** (1) Section 752.0.10.4.1 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) to a certificate issued under section 752.0.10.4.0.5 or 752.0.10.4.0.9 or to a decision of a court resulting from an appeal under section 93.1.15.2 or 93.1.15.3 of the Tax Administration Act (chapter A-6.002).”

(2) Subsection 1 has effect from 4 July 2013.

**67.** (1) Section 752.0.10.4.2 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) the fair market value of a recognized gift with reserve of usufruct or use, in relation to a work of art or a cultural property described in the third paragraph of section 232, is deemed to be equal to the product obtained by multiplying the amount of the fair market value of the work of art or of the cultural property, as the case may be, otherwise determined with reference to sections 752.0.10.4, 752.0.10.4.0.1, 752.0.10.4.0.1.1, 752.0.10.11.2 and 752.0.10.18 by the appropriate percentage determined in section 752.0.10.4.3.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**68.** (1) The Act is amended by inserting the following section after section 752.0.10.5.1:

**“752.0.10.5.2.** For the purpose of determining the total patronage gifts, no amount in respect of a patronage gift made in a particular taxation year by an individual may be taken into account in determining an amount that is deducted under section 752.0.10.6.2 in computing the tax payable under this Part by the individual for a taxation year until all amounts in respect of such a gift made in a taxation year preceding the particular year that can be so taken into account are so taken into account.”

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

**69.** (1) The Act is amended by inserting the following sections after section 752.0.10.6:

**“752.0.10.6.1.** An individual, other than a trust, may deduct from the individual’s tax otherwise payable for a taxation year under this Part an amount equal to 25% of the qualified total major cultural gift of the individual for the year.

No individual may benefit from the deduction provided for in the first paragraph for more than one major cultural gift.

**“752.0.10.6.2.** An individual, other than a trust, may deduct from the individual’s tax otherwise payable for a taxation year under this Part an amount equal to 30% of the qualified total patronage gifts of the individual for the year.”

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

**70.** (1) Section 752.0.10.9 of the Act is replaced by the following section:

**“752.0.10.9.** Subject to section 752.0.10.16, a gift made by an individual in the taxation year in which the individual dies and in respect of which there may be deducted an amount in computing the individual’s tax payable for that taxation year under any of sections 752.0.10.6 to 752.0.10.6.2 (in this section referred to as the “particular provision”), including a gift deemed by any of sections 752.0.10.10, 752.0.10.10.1, 752.0.10.10.3, 752.0.10.10.5, 752.0.10.13, 752.0.10.14 and 752.0.10.16 to have been so made, is deemed, for the purposes of the particular provision, to have been made by the individual in the preceding taxation year to the extent that an amount in respect of the gift is not deducted under the particular provision for the taxation year in which the individual dies.”

(2) Subsection 1 applies in respect of a death that occurs after 31 December 2013.

**71.** (1) Section 752.0.10.11.1 of the Act is amended by adding the following paragraph after the second paragraph:

“This section does not apply if an individual makes a gift of a work of art referred to in section 752.0.10.15.2 to a donee referred to in subparagraph c of the second paragraph of that section.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**72.** (1) Section 752.0.10.15.1 of the Act is replaced by the following section:

**“752.0.10.15.1.** For the purposes of the definition of “total charitable gifts” of an individual for a taxation year and of “total cultural gifts” of an individual for a taxation year in the first paragraph of section 752.0.10.1, the eligible amount of a gift described in the second paragraph is to be increased by 1/4 of that amount.

The gift to which the first paragraph refers is

(a) a gift of a work of art to a Québec museum; or

(b) any of the following gifts if the fair market value of the property that is the subject of the gift is determined under any of sections 752.0.10.4, 752.0.10.4.0.1 and 752.0.10.4.0.1.1:

i. unless it is described in subparagraph *a*, a gift of a work of public art that meets the following conditions:

(1) it is made to the State, except an educational institution that is a mandatary of the State, or

(2) a certificate has been issued by the Minister of Culture and Communications in respect of the work for the purposes of this section,

ii. a gift of an eligible immovable if a qualification certificate has been issued by the Minister of Culture and Communications in respect of the building for the purposes of this section, or

iii. a gift of an eligible immovable to any of the following entities that acquires the building with a view to carrying on all or part of its activities in it:

(1) a registered charity operating in Québec in the field of arts or culture,

(2) a registered cultural or communications organization, or

(3) a registered museum.

For the purposes of subparagraphs ii and iii of subparagraph *b* of the second paragraph, an eligible immovable means a building situated in Québec, including the land subjacent to it and such portion of any contiguous land as can reasonably be regarded as contributing to the use and enjoyment of the building.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

**73.** (1) The Act is amended by inserting the following sections after section 752.0.10.15.1:

**“752.0.10.15.2.** For the purposes of the definition of “total charitable gifts” of an individual for a taxation year and of “total cultural gifts” of an individual for a taxation year in the first paragraph of section 752.0.10.1, the eligible amount of a gift of a work of public art described in the second paragraph is to be increased by 1/2 of that amount if the fair market value of the work is determined under any of sections 752.0.10.4, 752.0.10.4.0.1 and 752.0.10.4.0.1.1.

The gift to which the first paragraph refers is the gift of a work of public art in respect of which a certificate has been issued by the Minister of Culture and Communications for the purposes of this section and that is made to

- (a) an educational institution that is a mandatary of the State;
- (b) a school board governed by the Education Act (chapter I-13.3) or the Education Act for Cree, Inuit and Naskapi Native Persons (chapter I-14); or
- (c) a registered charity whose mission is teaching and that is
  - i. an educational institution established under an Act of the Parliament of Québec, other than an institution described in subparagraph *a*,
  - ii. a college governed by the General and Vocational Colleges Act (chapter C-29),
  - iii. a private educational institution accredited for subsidies purposes under the Act respecting private education (chapter E-9.1), or
  - iv. a university-level educational institution referred to in any of paragraphs 1 to 11 of section 1 of the Act respecting educational institutions at the university level (chapter E-14.1).

**“752.0.10.15.3.** No individual is entitled to an increase of the eligible amount of a gift for a taxation year, in relation to a gift described in subparagraph *b* of the second paragraph of section 752.0.10.15.1 or in section 752.0.10.15.2, unless the individual files with the Minister, together with the fiscal return the individual is required to file under section 1000 for the year, the following documents issued by the Minister of Culture and Communications:

- (a) in relation to a gift of a work of public art,
  - i. in respect of which subparagraph 1 of subparagraph *i* of subparagraph *b* of the second paragraph of section 752.0.10.15.1 applies, a copy of any certificate relating to the fair market value of the work, or
  - ii. in respect of which subparagraph 2 of subparagraph *i* of subparagraph *b* of the second paragraph of section 752.0.10.15.1 or section 752.0.10.15.2 applies, a copy of the certificate relating to the work and of any certificate relating to the fair market value of the work; or
- (b) in relation to the gift of an eligible immovable,
  - i. in respect of which subparagraph *ii* of subparagraph *b* of the second paragraph of section 752.0.10.15.1 applies, a copy of the qualification certificate relating to the building and of any certificate relating to the fair market value of the immovable, or

ii. in respect of which subparagraph iii of subparagraph *b* of the second paragraph of section 752.0.10.15.1 applies, a copy of any certificate relating to the fair market value of the immovable.

**“752.0.10.15.4.** For the purposes of this chapter, the Minister of Culture and Communications shall create a register in which that Minister records the pledges in respect of which an individual (other than a trust) may deduct an amount in computing tax payable for a taxation year under section 752.0.10.6.2.

The Minister of Culture and Communications shall record in the register, at a donor’s request, the pledge made by the donor after 3 July 2013 to an eligible cultural donee and assigns a registration number in respect of that pledge if

(a) the pledge stipulates that the donor undertakes to make a gift to the donee of an eligible amount of at least \$250,000 over a period of no more than 10 years, at the rate of a gift of an eligible amount of at least \$25,000 in each of the years covered by the pledge; and

(b) the donor provides the Minister of Culture and Communications with a document, signed by an individual authorized by the donee to acknowledge receipt of gifts, attesting the eligible amount of the gift that is the subject of the pledge.

On or before the last day of the month of February of each year, the Minister of Culture and Communications shall send the Minister a document stating which pledges were recorded in the register before the end of the preceding year.

**“752.0.10.15.5.** For the purposes of this chapter, if an individual who makes a registered pledge in respect of a donee does not make a gift of money to the donee in a particular taxation year covered by the pledge, or makes a gift of money in the particular year, in satisfaction of the pledge, whose eligible amount is less than \$25,000, the pledge is deemed

(a) to cease to be, from the particular year, a registered pledge if

i. at the end of the preceding taxation year, the aggregate of all amounts each of which is the eligible amount of a gift made, at or before that time, by the individual in satisfaction of the pledge was at least \$250,000, or

ii. the particular year is included in the calendar year in which the individual became a bankrupt; or

(b) never to have been registered if

i. at the end of the preceding taxation year, the aggregate of all amounts each of which is the eligible amount of a gift made, at or before that time, by



the individual in satisfaction of the pledge is less than \$250,000, unless the individual dies in the particular year, or

ii. the particular year is the first year covered by the pledge.”

(2) Subsection 1, when it enacts sections 752.0.10.15.2 and 752.0.10.15.3 of the Act, applies in respect of a gift made after 3 July 2013.

(3) Subsection 1, when it enacts sections 752.0.10.15.4 and 752.0.10.15.5 of the Act, has effect from 4 July 2013.

**74.** (1) Section 752.0.18.3 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“752.0.18.3.** An individual who, in a taxation year, performs the duties of an office or employment may deduct from the individual’s tax otherwise payable for the year under this Part an amount equal to the amount obtained by multiplying the percentage specified in section 750.1 for the year by the aggregate of all amounts each of which is an amount paid by the individual in the year, to the extent that the individual has not been reimbursed, and is not entitled to be reimbursed, in respect of the amount by the entity to which it is paid, or an amount paid on behalf of the individual in the year, if the amount is required to be included in computing the individual’s income for the year, as any of the following dues or contributions, provided the amount may reasonably be regarded as relating to the office or employment:”.

(2) Subsection 1 has effect from 26 June 2013.

**75.** (1) Section 752.0.18.12 of the Act is amended by replacing paragraph *a* by the following paragraph:

**“(a)** an amount paid for one of those purposes on the individual’s behalf by the individual’s employer or by an employer of the individual’s father or mother, or an amount reimbursed for one of those purposes to the individual or the individual’s father or mother by such an employer, unless the amount is included in computing the individual’s income or that of the individual’s father or mother, as the case may be;”.

(2) Subsection 1 has effect from 26 June 2013.

**76.** (1) Section 752.0.22 of the Act is replaced by the following section:

**“752.0.22.** For the purpose of computing the tax payable under this Part by an individual, the following provisions are to be applied in the following order: sections 752.0.0.1, 752.0.1, 776.41.14, 752.0.7.4, 752.0.10.0.3, 752.0.18.3, 752.0.18.8, 776.1.5.0.17, 776.1.5.0.18, 752.0.10.0.5, 752.0.14, 752.0.11 to 752.0.13.1.1, 776.41.21, 752.0.10.6.1, 752.0.10.6, 752.0.10.6.2, 752.0.18.10, 752.0.18.15, 767 and 776.41.5.”

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

**77.** (1) Section 752.0.24 of the Act is amended by replacing subparagraph *i* of subparagraph *a* of the first paragraph by the following subparagraph:

“i. such of the amounts deductible under any of sections 752.0.10.0.2 to 752.0.10.0.5, 752.0.10.6 to 752.0.10.6.2, 752.0.11 to 752.0.13.3, 752.0.18.3, 752.0.18.8, 752.0.18.10 and 752.0.18.15 as can reasonably be considered wholly applicable to such a period, computed as though that period were a whole taxation year, and”.

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

**78.** (1) Section 776.41.5 of the Act is amended

(1) by replacing subparagraphs *a* and *b* of the second paragraph by the following subparagraphs:

“(a) A is the aggregate of all amounts each of which is an amount that the individual’s eligible spouse for the taxation year may deduct under this Book in computing the eligible spouse’s tax otherwise payable for the year under this Part, other than an amount deductible under any of sections 752.0.10.0.3, 752.0.10.6.1, 752.12, 776.1.5.0.17 and 776.1.5.0.18; and

“(b) B is the tax otherwise payable of the individual’s eligible spouse for the taxation year, computed without reference to the deductions provided for in this Book, except those provided for in sections 752.0.10.0.3, 752.0.10.6.1, 752.12, 776.1.5.0.17 and 776.1.5.0.18.”;

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

“(b) if the eligible spouse of an individual for a taxation year may deduct, for the year, an amount under any of sections 752.0.10.6, 752.0.10.6.2, 752.0.11, 752.0.18.10, 752.0.18.15, 772.8, 776.1.1 and 776.1.2 (in this subparagraph referred to as the “deductible amount”), the individual may, in respect of the deductible amount, include in the aggregate described in subparagraph *a* of the second paragraph only the portion of the deductible amount claimed as a deduction by the eligible spouse in the fiscal return the eligible spouse files for the year.”

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

**79.** (1) Section 776.41.11 of the Act is amended by replacing the second paragraph by the following paragraph:

“The provisions to which the first paragraph refers are sections 752.0.10.6, 752.0.10.6.2, 752.0.11, 752.0.18.10, 752.0.18.15, 772.8, 776.1.1 and 776.1.2.”

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

**80.** (1) Section 776.41.21 of the Act is amended

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

“(b) B is the person’s tax otherwise payable for the year under this Part, computed by taking into account only the amounts that the person may deduct under sections 752.0.0.1, 752.0.1, 752.0.7.4, 752.0.10.0.3, 752.0.10.0.5, 752.0.10.6 to 752.0.10.6.2, 752.0.11, 752.0.13.1, 752.0.13.1.1, 752.0.14, 752.0.18.3, 752.0.18.8, 776.1.5.0.17, 776.1.5.0.18 and 776.41.14.”;

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

“For the purposes of subparagraph *b* of the second paragraph, the amount that a person may, if applicable, deduct, for a taxation year, under any of sections 752.0.10.6 to 752.0.10.6.2 and 752.0.11 is deemed to be equal to the portion of that amount that the person claims as a deduction in the person’s fiscal return that the person files for the year under this Part.”

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

**81.** (1) Section 851.19 of the Act is amended by inserting “or pooled registered pension plan” after “registered pension plan”.

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

**82.** (1) Section 890.1 of the Act is amended, in the second paragraph,

(1) by replacing “Aux fins” in the portion before subparagraph *a* in the French text by “Pour l’application”;

(2) by inserting the following subparagraph after subparagraph *a*:

“(a.1) a pooled registered pension plan;”.

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

**83.** (1) The Act is amended by inserting the following section before section 895:

**“894.1.** If a valid election is made under subsection 1.1 of section 146.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), an accumulated income payment under the registered education savings plan may be made to the registered disability savings plan, despite paragraph *c.1* of section 895 and any terms of the plan required by that paragraph.

Chapter V.2 of Title II of Book I applies in relation to an election made under subsection 1.1 of section 146.1 of the Income Tax Act.”

(2) Subsection 1 applies from 1 January 2014.

**84.** (1) Section 895 of the Act is amended by replacing paragraph *h.1* by the following paragraph:

“(h.1) where the plan allows accumulated income payments, the plan provides that it must be terminated before 1 March of the year following the year in which the first such payment is made under the plan;”.

(2) Subsection 1 applies from 1 January 2014.

**85.** (1) Section 904.1 of the Act is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

“(a) any accumulated income payment (other than an accumulated income payment made under section 894.1) received in the year by the taxpayer under a registered education savings plan; and”.

(2) Subsection 1 applies from 1 January 2014.

**86.** (1) Section 905.0.3 of the Act is amended

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

““specified maximum amount”, for a calendar year in respect of a disability savings plan, means the amount that is the greater of

(a) the amount determined by the formula in subparagraph *l* of the first paragraph of section 905.0.6 in respect of the plan for the calendar year; and

(b) the amount determined by the formula

$A + B$ ;”;

(2) by adding the following paragraph:

“In the formula in paragraph *b* of the definition of “specified maximum amount” in the first paragraph,

(a) *A* is 10% of the fair market value of the property held by the plan trust at the beginning of the calendar year (other than annuity contracts that, at the beginning of the calendar year, are not described in paragraph *b* of the definition of “qualified investment” in subsection 1 of section 205 of the Income Tax Act); and

(b) *B* is the aggregate of all amounts each of which is

i. a periodic payment under an annuity contract held by the plan trust at the beginning of the calendar year (other than an annuity contract described at the beginning of the calendar year in paragraph *b* of the definition of “qualified investment” in subsection 1 of section 205 of the Income Tax Act) that is paid to the plan trust in the calendar year, or

ii. if the periodic payment under an annuity contract described in subparagraph i is not made to the plan trust because the plan trust disposed of the right to that payment in the calendar year, an amount that is a reasonable estimate of that payment on the assumption that the annuity contract had been held by the plan trust throughout the calendar year and no rights under the contract were disposed of in the calendar year.”

(2) Subsection 1 applies from 1 January 2014.

**87.** (1) Section 905.0.3.1 of the Act is amended by replacing “in section” in the portion before paragraph *a* by “in the first paragraph of section”.

(2) Subsection 1 applies from 1 January 2014.

**88.** (1) Section 905.0.3.2 of the Act is amended by replacing “in section” in the portion before paragraph *a* by “in the first paragraph of section”.

(2) Subsection 1 applies from 1 January 2014.

**89.** (1) Section 905.0.3.3 of the Act is amended by replacing “in section” by “in the first paragraph of section”.

(2) Subsection 1 applies from 1 January 2014.

**90.** (1) Section 905.0.3.4 of the Act is amended by replacing “in section” by “in the first paragraph of section”.

(2) Subsection 1 applies from 1 January 2014.

**91.** (1) Section 905.0.4 of the Act is amended

(1) by replacing “in section” in the portion before paragraph *a* and in paragraph *b* by “in the first paragraph of section”;

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

“(d) other than for the purposes of subparagraphs *f* to *h* and *n* of the first paragraph of section 905.0.6,

i. an amount that is a specified RDSP payment as defined in subsection 1 of section 60.02 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), and

ii. an amount that is an accumulated income payment made to the plan under section 894.1.”

(2) Subsection 1 applies from 1 January 2014.

**92.** (1) Section 905.0.4.2 of the Act is amended

(1) by replacing subparagraphs *b* to *d* of the first paragraph by the following subparagraphs:

“(b) the time that is immediately before the earliest time in a calendar year when the total disability assistance payments, other than non-taxable portions, made under the plan in the year and while it was a specified disability savings plan exceeds \$10,000 or such greater amount as is required to satisfy the condition of subparagraph *i* of subparagraph *d*;

“(c) the time that is immediately before the time that

i. a contribution is made to the plan,

ii. an amount described in paragraph *a* or *b* of section 905.0.4 or subparagraph *ii* of paragraph *d* of that section is paid into the plan,

iii. the plan is terminated,

iv. the plan ceases to be a registered disability savings plan as a result of the application of subparagraph *a* of the first paragraph of section 905.0.20, or

v. is the beginning of the first calendar year throughout which the beneficiary under the plan has no severe and prolonged impairment in mental or physical functions the effects of which are described in paragraph *a.1* of subsection 1 of section 118.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and

“(d) the time immediately following the end of a calendar year if

i. the total amount of disability assistance payments made from the plan in the year is less than the amount determined by the formula in subparagraph *l* of the first paragraph of section 905.0.6 in respect of the plan for the same year or such a lesser amount as is supported by the property of the plan trust, and

ii. the year is not the year in which the plan became a specified disability savings plan;”;

(2) by striking out subparagraphs *e* and *f* of the first paragraph;

(3) by striking out “(R.S.C. 1985, c. 1 (5th Suppl.))” in the second paragraph.

(2) Subsection 1 applies from 1 January 2014.

**93.** (1) Section 905.0.6 of the Act is amended

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

“*i.* if the calendar year is not a specified year for the plan, the total amount of disability assistance payments made to the beneficiary under the plan in the year must not exceed the specified maximum amount for the year, except that, in calculating that total amount, a payment made following a transfer in the year from another plan in accordance with section 905.0.16 is to be disregarded if it is made”;

(2) by striking out subparagraph *ii* of subparagraph *n* of the first paragraph;

(3) by inserting the following subparagraph after subparagraph *n* of the first paragraph:

“(n.1) the plan provides that, if the beneficiary under the plan reached 59 years of age before a calendar year, the total amount of disability assistance payments made to the beneficiary in the calendar year must not be less than the amount determined by the formula in subparagraph *l* in respect of the plan for the year or such lesser amount as is supported by the property of the plan trust;”;

(4) by replacing subparagraph *o* of the first paragraph by the following subparagraph:

“(o) the plan provides that, at the direction of the holders of the plan, the issuer shall transfer all of the property held by the plan trust or an amount equal to its value to another registered disability savings plan of the beneficiary, together with all information in its possession (other than information provided to the issuer of the other plan by the Minister responsible for the administration of the Canada Disability Savings Act) that may reasonably be considered necessary for compliance, in respect of the other plan, with the requirements of this Part and with any conditions and obligations under that Act; and”;

(5) by replacing subparagraph *p* of the first paragraph by the following subparagraph:

“(p) the plan provides for any amounts remaining in the plan, after taking into consideration any repayments under the Canada Disability Savings Act or a designated provincial program, to be paid to the beneficiary under the plan or the beneficiary’s succession, and for the plan to cease to exist, at or before the end of the calendar year following the earlier of

- i. the calendar year in which the beneficiary under the plan dies, and
- ii. the first calendar year

(1) if a valid election is made under subsection 4.1 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), that includes the time that the election ceases because of paragraph *b* of subsection 4.2 of section 146.4 of that Act to be valid, or

(2) throughout which the beneficiary has no severe and prolonged impairment in mental or physical functions the effects of which are described in paragraph *a.1* of subsection 1 of section 118.3 of the Income Tax Act.”;

(6) by adding the following paragraphs after the second paragraph:

“Chapter V.2 of Title II of Book I applies in relation to an election made under subsection 4.1 of section 146.4 of the Income Tax Act.

Where the calendar year 2011 or 2012 is the first calendar year throughout which the beneficiary of a registered disability savings plan has no severe and prolonged impairment in mental or physical functions the effects of which are described in paragraph *a.1* of subsection 1 of section 118.3 of the Income Tax Act and the plan has not been terminated, the plan must, despite subparagraph *p* of the first paragraph, as it read on 28 March 2012 and any terms of the plan required by that subparagraph, be terminated on or before 31 December 2014, unless a valid election is made under subsection 4.1 of section 146.4 of the Income Tax Act.”

(2) Paragraphs 1 to 3 and 5 of subsection 1 and paragraph 6 of subsection 1, when it enacts the third paragraph of section 905.0.6 of the Act, apply from 1 January 2014.

(3) Paragraph 4 of subsection 1 has effect from 14 December 2012.

(4) Paragraph 6 of subsection 1, when it enacts the fourth paragraph of section 905.0.6 of the Act, has effect from 29 March 2012. However, when the fourth paragraph of that section applies before 1 January 2014, it is to be read as if “, unless a valid election is made under subsection 4.1 of section 146.4 of the Income Tax Act” was struck out.

**94.** (1) Section 905.0.7 of the Act is amended

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

**“905.0.7.** A disability savings plan is deemed never to have been a registered disability savings plan unless

(*a*) the issuer of the plan provides without delay notification of the plan’s establishment in the prescribed form containing prescribed information to the Minister; and



(b) if the beneficiary is the beneficiary under another registered disability savings plan at the time the plan is established, that other plan is terminated without delay.”;

(2) by replacing “in the manner and within the time specified” in the second paragraph by “in the manner specified”.

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

**95.** (1) Section 905.0.16 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) the issuer of the prior plan provides the issuer of the new plan with all information in its possession concerning the prior plan (other than information provided to the issuer of the new plan by the Minister responsible for the administration of the Canada Disability Savings Act (Statutes of Canada, 2007, chapter 35)) as may reasonably be considered necessary for compliance, in respect of the new plan, with the requirements of this Part and the issuer of the new plan confirms that it has in its possession all information provided by the issuer of the prior plan and by that Minister that is necessary for the purposes of paragraph *c* of subsection 8 of section 146.4 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement); and”.

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

**96.** (1) Section 905.0.21 of the Act is amended by replacing “in section” in the portion of subparagraph *e* of the first paragraph before subparagraph *i* by “in the first paragraph of section”.

(2) Subsection 1 applies from 1 January 2014.

**97.** (1) Section 905.1.2 of the Act is replaced by the following section:

**“905.1.2.** For the purposes of section 133.4, subparagraph *i* of paragraph *a* of the definition of “excluded right or interest” in section 785.0.1, subparagraph *d* of the first paragraph of section 890.0.1, sections 913 and 924.0.1, paragraph *b* of the definition of “excluded premium” in the first paragraph of section 935.1, paragraph *c* of the definition of “excluded premium” in the first paragraph of section 935.12, subparagraph *b* of the second paragraph of section 961.17, Chapter III of Title VI.0.1 and paragraph *c* of section 965.0.35, an individual’s account under a specified pension plan is deemed to be a registered retirement savings plan under which the individual is the annuitant.”

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

**98.** (1) Section 961.17 of the Act is amended by inserting the following subparagraph after subparagraph *b* of the second paragraph:

“(b.1) an amount transferred at the direction of the annuitant directly to an account of the annuitant under a pooled registered pension plan; or”.

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

**99.** (1) Section 965.0.2 of the Act is replaced by the following section:

“**965.0.2.** There may be deducted in computing an employer’s income for a taxation year ending after 31 December 1990, the amount that, by virtue of paragraph *q* of subsection 1 of section 20 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), is allowed as a deduction for the year in computing the employer’s income for the purposes of that Act in respect of a contribution made to a registered pension plan.”

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

**100.** (1) The Act is amended by inserting the following before Title VI.1 of Book VII of Part I:

## “TITLE VI.0.2

### “POOLED REGISTERED PENSION PLANS

#### “CHAPTER I

#### “DEFINITIONS

“**965.0.19.** In this Title,

“administrator”, of a pooled pension plan, means

(a) a corporation resident in Canada that is responsible for the administration of the plan and that is authorized under the Pooled Registered Pension Plans Act (Statutes of Canada, 2012, chapter 16) or a similar law of a province (other than Québec) to act as an administrator for one or more pooled pension plans; or

(b) an entity designated in respect of the plan under section 21 of the Pooled Registered Pension Plans Act or any provision of a law of a province (other than Québec) that is similar to that section;

“member”, of a pooled pension plan, means an individual (other than a trust) who holds an account under the plan;

“pooled pension plan” means a plan that is registered under the Pooled Registered Pension Plans Act or a similar law of a province (other than Québec);

“qualifying annuity”, for an individual, means an annuity that

(a) is payable to the individual or, where the annuity is constituted for the benefit of the individual and the individual's spouse jointly, is payable to the individual and, on the individual's death, to the individual's spouse;

(b) is payable beginning no later than the later of the end of the calendar year in which the annuity is acquired and the end of the calendar year in which the individual attains 71 years of age;

(c) unless the annuity is subsequently commuted into a single payment, is payable

i. at least annually, and

ii. in equal amounts, except for an amount that is not so payable solely because of an adjustment that would, if the annuity were an annuity under a retirement savings plan, be in accordance with any of subparagraphs iii to v of paragraph b of subsection 3 of section 146 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

(d) if the annuity includes a guaranteed period, requires that

i. the guaranteed period not exceed 15 years, and

ii. in the event of the death of the individual or that of the individual's spouse during the guaranteed period, any remaining amounts otherwise payable be commuted into a single payment as soon as practicable after the later death; and

(e) does not permit any premiums to be paid, other than the premium paid from the PRPP to acquire the annuity;

“qualifying survivor”, in relation to a member of a PRPP, means an individual who, immediately before the death of the member

(a) was a spouse of the member; or

(b) was a child or grandchild of the member who was financially dependent on the member for support;

“single amount” means an amount that is not part of a series of periodic payments;

“successor member” means an individual who was the spouse of a member of a PRPP immediately before the death of the member and who acquires, as a consequence of the death, all of the member's rights in respect of the member's account under the PRPP.

For the purposes of the definition of “qualifying survivor” in the first paragraph, a child or grandchild of the member is presumed not to be financially dependent on the member at the time of the death of the member if the child's

or grandchild's income, for the taxation year preceding the taxation year in which the member died, was greater than the amount determined by the formula in subsection 1.1 of section 146 of the Income Tax Act for that preceding year.

## **“CHAPTER II**

### **“TAX**

**“965.0.20.** No tax is payable under this Part by a trust governed by a PRPP on its taxable income for a taxation year.

**“965.0.21.** Despite section 965.0.20, a trust governed by a PRPP that carries on a business in a taxation year shall pay tax under this Part on the amount that would be its taxable income for the year if it had no incomes or losses from sources other than that business.

**“965.0.22.** For the purposes of section 965.0.21, the following rules apply:

(a) a capital gain or capital loss from the disposition of a property held in connection with a business is deemed to be income or a loss, as the case may be, from carrying on the business; and

(b) the trust's income is to be computed without reference to paragraph *a* of section 657 and sections 666 and 668.

## **“CHAPTER III**

### **“DEDUCTIONS**

**“965.0.23.** There may be deducted in computing an employer's income for a taxation year, the amount that, by virtue of paragraph *q* of subsection 1 of section 20 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), is allowed as a deduction for the year in computing the employer's income for the purposes of that Act in respect of a contribution made to a PRPP.

**“965.0.24.** For the purposes of Title IV (other than sections 924.1, 931.1, 931.3 and 931.5), and paragraph *a* of sections 935.3 and 935.14, a contribution made to a pooled registered pension plan by a member of such a plan is deemed to be a premium paid by the member to a registered retirement savings plan under which the member is the annuitant, within the meaning of paragraph *b* of section 905.1.

**“965.0.25.** There may be deducted in computing the income of a member of a PRPP for the taxation year in which the member dies, an amount not exceeding the amount determined, after all amounts payable from the member's account under the PRPP have been distributed, by the formula

A – B.

In the formula in the first paragraph,

(a) A is the aggregate of all amounts each of which is an amount in respect of the member's account

i. included in computing the member's income under section 965.0.28 because of the application of section 965.0.30,

ii. included in computing the income of another taxpayer under section 965.0.32 or 965.0.34, or

iii. transferred in accordance with section 965.0.35 in circumstances described in subparagraph iii of paragraph *b* of that section; and

(b) B is the aggregate of all distributions made from the member's account after the member's death.

**“965.0.26.** Unless the Minister has waived in writing the application of this section with respect to all or any portion of the amount determined under section 965.0.25, that section does not apply in respect of a member's account under a PRPP if the last distribution from the account was made after the end of the calendar year following the year in which the member died.

**“965.0.27.** For the purposes of section 133.4, subparagraph i of paragraph *a* of the definition of “excluded right or interest” in section 785.0.1, subparagraph *d* of the first paragraph of section 890.0.1, sections 890.0.2, 913 and 924.0.1, paragraph *b* of the definition of “excluded premium” in the first paragraph of section 935.1, paragraph *c* of the definition of “excluded premium” in the first paragraph of section 935.12, the second paragraph of section 961.17 and Chapter III of Title VI.0.1, a member's account under a pooled registered pension plan is deemed to be a registered retirement savings plan under which the member is the annuitant, within the meaning of paragraph *b* of section 905.1.

#### **“CHAPTER IV**

#### **“AMOUNTS TO BE INCLUDED**

**“965.0.28.** If a taxpayer is a member of a PRPP, the taxpayer shall include, in computing income for a taxation year, the aggregate of all amounts each of which is a distribution made in the year from the member's account under the PRPP, other than an amount that is

(a) included in computing the income of another taxpayer under section 965.0.29;

(b) referred to in section 965.0.36; or

(c) distributed after the death of the member.

**“965.0.29.** If a taxpayer is the employer of a member of a PRPP, the taxpayer shall include, in computing income for a taxation year, the aggregate of all amounts each of which is a return of contributions that is described in clause A of subparagraph ii of paragraph *d* of subsection 3 of section 147.5 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) and that is made to the taxpayer in the year.

**“965.0.30.** If a member of a PRPP dies and there is no successor member in respect of the deceased member’s account under the PRPP, an amount, equal to the amount by which the fair market value of all property held in connection with the account immediately before the death exceeds the total of all amounts distributed from the account that are described in section 965.0.32, is deemed to have been distributed from the account immediately before the death.

**“965.0.31.** If a member of a PRPP dies and there is a successor member in respect of the deceased member’s account under the PRPP, the following rules apply:

(a) the account ceases to be an account of the deceased member at the time of the death;

(b) the successor member is, after the time of the death, deemed to hold the account as a member of the PRPP; and

(c) the successor member is deemed to be a separate member in respect of any other account under the PRPP that the successor member holds.

**“965.0.32.** If, as a consequence of the death of a member of a PRPP, an amount is distributed in a taxation year from the member’s account under the PRPP to, or on behalf of, a qualifying survivor in relation to the member, the amount must be included in computing the qualifying survivor’s income for the year, except to the extent that the amount is referred to in section 965.0.36.

**“965.0.33.** If an amount is distributed at a particular time from a deceased member’s account under a PRPP to the member’s legal representative and a qualifying survivor of the member is entitled to all or a portion of the amount in full or partial satisfaction of the qualifying survivor’s rights as a beneficiary under the deceased’s succession, then, for the purposes of section 965.0.32, the amount or portion of the amount, as the case may be, is deemed to have been distributed at that time from the member’s account to the qualifying survivor (and not to the legal representative) to the extent that it is so designated jointly by the legal representative and the qualifying survivor in the prescribed form filed with the Minister.

**“965.0.34.** A taxpayer who is not a qualifying survivor in relation to a member of a PRPP shall include, in computing income for a taxation year, the aggregate of all amounts each of which is an amount determined by the formula

A – B.

In the formula in the first paragraph,

(a) A is the amount of a distribution made in the year from the member's account under the PRPP as a consequence of the member's death to, or on behalf of, the taxpayer; and

(b) B is an amount designated by the administrator of the PRPP not exceeding the lesser of

i. the amount of the distribution, and

ii. the amount by which the fair market value of all property held in connection with the account immediately before the death of the member exceeds the total of

(1) the amount designated in accordance with this paragraph in respect of any prior distribution made from the account, and

(2) an amount included under section 965.0.32 in computing the income of a qualifying survivor in relation to the member.

## **“CHAPTER V**

### **“TRANSFERS**

**“965.0.35.** An amount is transferred from a member's account under a pooled registered pension plan in accordance with this section if

(a) the amount is a single amount;

(b) the amount is transferred on behalf of an individual

i. who is the member,

ii. who is a spouse or former spouse of the member and who is entitled to the amount under a decree, order or judgment of a competent tribunal, or under a written separation agreement, relating to a partition of property between the member and the individual, in settlement of rights arising out of, or on the breakdown of, their marriage, or

iii. who is entitled to the amount as a consequence of the death of the member and was a spouse of the member immediately before the death; and

(c) the amount is transferred directly to

i. the individual's account under the plan,

- ii. another pooled registered pension plan in respect of the individual,
- iii. a registered pension plan for the benefit of the individual,
- iv. a registered retirement savings plan or registered retirement income fund under which the individual is the annuitant, within the meaning of paragraph *b* of section 905.1 or paragraph *d* of section 961.1.5, as the case may be, or
- v. a licensed annuities provider, within the meaning of section 965.0.1, to acquire a qualifying annuity for the individual.

**“965.0.36.** Where an amount is transferred in accordance with section 965.0.35 from a member’s account under a PRPP on behalf of an individual, the following rules apply:

- (a) the amount must not, by reason only of that transfer, be included in computing the income of the individual; and
- (b) no deduction may be made in respect of the amount in computing the income of any taxpayer.

**“965.0.37.** If an amount is transferred in accordance with section 965.0.35 to acquire a qualifying annuity, an individual shall include, in computing income for a taxation year under this Title and not under any other provision of this Act, any amount received by the individual during the year out of or under the annuity or as proceeds from the disposition of the annuity.”

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

**101.** (1) Section 968 of the Act is amended by inserting “a pooled registered pension plan,” after “a registered pension plan,” in the second paragraph.

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

**102.** (1) Section 998 of the Act is amended by inserting the following paragraph after paragraph *j*:

“(j.0.1) a trust governed by a pooled registered pension plan to the extent provided in Title VI.0.2 of Book VII;”.

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

**103.** (1) Section 999.4 of the Act is amended by replacing paragraph *b* by the following paragraph:

“(b) if the donee is, during that period, offered a gift from any person, the donee shall, before accepting the gift, inform that person that it has received the notice that no deduction under any of sections 710 and 752.0.10.6 to



752.0.10.6.2 may be claimed in respect of a gift made to it in the period, and that a gift made in the period is not a gift to a qualified donee.”

(2) Subsection 1 has effect from 4 July 2013.

**104.** Section 1001 of the Act is replaced by the following section:

**“1001.** Every person, whether or not the person is liable to pay tax and whether or not a fiscal return has been filed, shall, on demand from the Minister, file with the Minister in the prescribed form containing prescribed information a fiscal return for the taxation year within such time as may be designated in the demand.”

**105.** (1) Section 1012.1 of the Act is amended by replacing paragraph *d.1.0.2* by the following paragraph:

“(d.1.0.2) the second paragraph of section 915.2, section 924.2, the second paragraph of section 961.17.1 or any of sections 961.21.0.1, 965.0.25 and 965.0.30, in respect of a registered retirement savings plan, a registered retirement income fund or a pooled registered pension plan, with the understanding that an amount claimed as a deduction includes, for the purposes of this section, a reduction of an amount otherwise required to be included in computing a taxpayer’s income;”.

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

**106.** (1) Section 1015 of the Act, amended by section (*insert the number of the section in Bill 34 that amends section 1015 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 subparagraph *b* by the following subparagraph:

“(b) an amount described in section 313.13 or 317;”;

(2) by inserting the following subparagraph after subparagraph *e.2*:

“(e.3) an amount paid under the program referred to in paragraph *k.0.2* of section 311;”.

(2) Paragraph 1 of subsection 1 has effect from 14 December 2012.

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

**107.** (1) Section 1026.0.2 of the Act is amended by replacing the definition of “net tax owing” in the first paragraph by the following definition:

““net tax owing” by an individual for a taxation year means the amount by which the tax payable by the individual for the year under this Part and

Parts III.15 and III.15.2, determined without reference to the specified tax consequences for the year, section 313.11 and Chapter II.1 of Title VI of Book III, exceeds the amount described in the second paragraph.”

(2) Subsection 1 applies from the taxation year 2012.

**108.** (1) Section 1029.6.0.0.1 of the Act is amended, in the second paragraph,

(1) by replacing the portion before subparagraph *a* 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.6.4.2, II.6.5.3, II.6.5.6, II.6.5.7, II.6.6.1 to II.6.15 and II.22, the following rules apply:”;

(2) by replacing “II.6.5.6” in subparagraph *b* by “II.6.5.6, II.6.5.7”.

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

**109.** (1) Section 1029.6.0.1 of the Act is amended by inserting “, II.6.5.7” after “II.6.5.3” in paragraphs *a* and *b*.

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

**110.** (1) Section 1029.6.0.1.2.1 of the Act is amended by inserting “, II.6.5.7” after “II.6.5.3”.

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

**111.** (1) Section 1029.6.0.1.2.2 of the Act is amended by inserting “, II.6.5.7” after “II.6.5.3” in subparagraph *i* of subparagraph *a* of the first paragraph and in subparagraph *b* of that paragraph.

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

**112.** (1) Section 1029.6.0.1.2.3 of the Act is amended by inserting “, II.6.5.7” after “II.6.5.3” in subparagraph *b* of the first paragraph.

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

**113.** (1) Section 1029.8.36.0.109 of the Act is amended by replacing the portion of subparagraph *ii* of subparagraph *a* of the first paragraph before subparagraph 1 by the following:

“ii. if the corporation is a member of a qualified partnership at the end of a fiscal period of the partnership ending in the year and the corporation meets the conditions of paragraphs *a* and *b* of the definition of “qualified corporation” in the first paragraph of section 1029.8.36.0.107, the aggregate of all amounts each of which is the corporation’s share of the lesser of”.

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

**114.** (1) Section 1029.8.36.0.110 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of this section and sections 1029.8.36.0.111 to 1029.8.36.0.113, an associated group in a taxation year means all the corporations that, in the year, carry on a business in Québec and have an establishment in Québec, are not excluded corporations for the year, are associated with each other in the year and each of which is a qualified corporation for the year or a corporation that is a member of a qualified partnership at the end of a fiscal period of the qualified partnership ending in the year and that meets the conditions of paragraphs *a* and *b* of the definition of “qualified corporation” in the first paragraph of section 1029.8.36.0.107.”

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

**115.** (1) The Act is amended by inserting the following after section 1029.8.36.59.41:

**“DIVISION II.6.5.7**

**“CREDIT FOR DAMAGE INSURANCE FIRMS**

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

**“1029.8.36.59.42.** In this division,

“excluded corporation” for a taxation year means

(a) a corporation that is exempt from tax for the year under Book VIII; or

(b) a corporation that would be exempt from tax for the year under section 985, but for section 192;

“qualified corporation” for a particular taxation year means a corporation, other than an excluded corporation for the particular year, that carried on damage insurance activities in Québec during its last taxation year ended before 1 January 2013 and that, at any time in the particular year,

(a) is a person referred to in subparagraph *f* of the first paragraph of section 1159.3, enacted by subparagraph *e* of the first paragraph of section 1159.3.2; and

(b) is registered with the Autorité des marchés financiers under Title II of the Act respecting the distribution of financial products and services (chapter D-9.2) to act as a damage insurance firm;

“qualified expenditure” of a corporation means the aggregate of all amounts each of which is an expenditure of a current nature that is incurred by the corporation in its last taxation year ended before 1 January 2013 and that is reasonably attributable to its damage insurance activities in Québec, other than an expenditure consisting of

- (a) wages or an employer contribution;
- (b) interest charges;
- (c) a non-deductible entertainment expense;
- (d) a fine or penalty; or
- (e) municipal or school property taxes and duties on transfers of immovables;

“wages” means the income computed under Chapters I and II of Title II of Book III.

**“1029.8.36.59.43.** If the last taxation year of a corporation ended before 1 January 2013 has fewer than 365 days, the corporation’s qualified expenditure is deemed to be equal to the proportion of the corporation’s qualified expenditure otherwise determined that 365 is of the number of days included in that taxation year.

“§2. — *Credit*

**“1029.8.36.59.44.** A qualified corporation for a taxation year that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the second paragraph, to have paid to the Minister on the corporation’s balance-due day for that year, on account of its tax payable for that year under this Part, an amount equal to

(a) if the taxation year ends in the calendar year 2013, the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2012 during which it carried on damage insurance activities in Québec is of 365;

(b) if the taxation year ends in the calendar year 2014, the aggregate of

i. the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2012 and that precede 1 January 2014 during which it carried on damage insurance activities in Québec is of 365, and

ii. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2013 during which it carried on damage insurance activities in Québec is of 365;

(c) if the taxation year ends in the calendar year 2015, the aggregate of

i. the proportion of 7.5% of its qualified expenditure that the number of days in the taxation year that precede 1 January 2014 during which it carried on damage insurance activities in Québec is of 365,

ii. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2013 and that precede 1 January 2015 during which it carried on damage insurance activities in Québec is of 365, and

iii. the proportion of 2.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2014 during which it carried on damage insurance activities in Québec is of 365; or

(d) if the taxation year ends after 31 December 2015, the aggregate of

i. the proportion of 5% of its qualified expenditure that the number of days in the taxation year that precede 1 January 2015 during which it carried on damage insurance activities in Québec is of 365, and

ii. the proportion of 2.5% of its qualified expenditure that the number of days in the taxation year that follow 31 December 2014 and that precede 1 January 2016 during which it carried on damage insurance activities in Québec is of 365.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or under section 1159.7 if it refers to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Part IV.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

(a) the amount by which the amount determined under the first paragraph for the year exceeds the aggregate of all amounts each of which is the portion of that amount that may reasonably be considered to be deemed to have been paid to the Minister under this paragraph in the year but before that date; and

(b) the amount by which the amount of that payment, determined without reference to this chapter, exceeds the aggregate of all amounts each of which is an amount that is deemed, under this chapter but otherwise than under the first paragraph, to have been paid to the Minister on that date, for the purpose of computing that payment.

*“§3. — Government assistance, non-government assistance and other particulars*

**“1029.8.36.59.45.** For the purpose of computing the amount that is deemed to have been paid to the Minister for a taxation year by a corporation under section 1029.8.36.59.44, the amount of the qualified expenditure of the corporation referred to in the first paragraph of that section is to be reduced, if applicable, by the amount of any government assistance or non-government assistance, attributable to that expenditure, that the corporation has received, is entitled to receive or may reasonably expect to receive on or before the corporation’s filing-due date for the taxation year.

**“1029.8.36.59.46.** If, in respect of a qualified expenditure of a qualified corporation, a person or a partnership has obtained, is entitled to obtain or may reasonably expect to obtain a benefit or advantage, other than a benefit or advantage that may reasonably be attributed to the qualified expenditure, whether in the form of a repayment, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of the property, or in any other form or manner, the amount of the qualified expenditure of the qualified corporation for a taxation year is to be reduced, for the purpose of computing the amount that is deemed to have been paid to the Minister for that year by the qualified corporation under section 1029.8.36.59.44, by the amount of the benefit or advantage that the person or partnership has obtained, is entitled to obtain or may reasonably expect to obtain on or before the qualified corporation’s filing-due date for the taxation year.

**“1029.8.36.59.47.** If, before 1 January 2018, a corporation pays, in a taxation year (in this section referred to as the “repayment year”), pursuant to a legal obligation, an amount that may reasonably be considered to be a repayment of government assistance or non-government assistance that was taken into account for the purpose of computing the corporation’s qualified expenditure in respect of which it is deemed to have paid an amount to the Minister under section 1029.8.36.59.44, the corporation is deemed, if it encloses the prescribed form with the fiscal return it is required to file for the repayment year under section 1000, to have paid to the Minister on its balance-due day for the repayment year, on account of its tax payable for that year under this Part, an amount equal to the amount by which the amount determined under the second paragraph is exceeded by the aggregate of all amounts each of which is equal to the amount by which the amount that it would be deemed to have paid to the Minister for a particular taxation year, in respect of the qualified expenditure, under section 1029.8.36.59.44, if any amount of assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in section 1029.8.36.59.45, exceeds the amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.44 for the particular year in respect of the qualified expenditure.

The amount to which the first paragraph refers is equal to the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year under this section in respect of an amount of assistance that is repaid.

**“1029.8.36.59.48.** For the purposes of section 1029.8.36.59.47, an amount of assistance is deemed to be repaid at a particular time by a corporation, pursuant to a legal obligation, if that amount

(a) reduced, because of section 1029.8.36.59.45, a qualified expenditure for the purpose of computing the amount that the corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.36.59.44;

(b) was not received by the corporation; and

(c) ceased at the particular time to be an amount that the corporation could reasonably expect to receive.”

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

**116.** (1) Section 1029.8.61.98 of the Act is amended by replacing the first paragraph by the following paragraph:

**“1029.8.61.98.** An eligible individual for a taxation 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 under this Part for that taxation year, an amount equal to 20% of the total of the amounts each of which is the aggregate of the expenses paid in the year by the individual, or by the person who is the individual’s spouse at the time of payment, in respect of the individual’s stay, begun in the year or the preceding year, in a functional rehabilitation transition unit to the extent of the portion of that aggregate that is attributable to a stay of no more than 60 days.”

(2) Subsection 1 applies from the taxation year 2012.

**117.** (1) Section 1029.8.61.101 of the Act is amended by replacing the first paragraph by the following paragraph:

**“1029.8.61.101.** An eligible individual for a taxation 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 under this Part for that taxation year, an amount equal to 20% of the amount by which \$500 is exceeded by the aggregate of all amounts each of which is an amount paid in the year by the individual, or by the person who is the individual’s spouse at the time of payment, for the acquisition or rental, including installation costs, of a qualified property intended for use in the individual’s principal place of residence.”

(2) Subsection 1 applies from the taxation year 2012.

**118.** (1) Section 1034.10 of the Act is amended by replacing “section 905.0.3” wherever it appears in the first paragraph by “the first paragraph of section 905.0.3”.

(2) Subsection 1 applies from 1 January 2014.

**119.** Section 1086.12.1 of the Act is amended by replacing the definition of “eligible spouse” by the following definition:

““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 and who, at the end of 31 December of the year or, if the person died in the year, immediately before the person’s death, was resident in Québec and had not been confined to a prison or similar institution during the year for one or more periods totalling more than six months;”.

**120.** (1) The Act is amended by inserting the following after section 1129.45.3.5.11:

**“PART III.10.1.1.3**

**“SPECIAL TAX RELATING TO THE CREDIT FOR DAMAGE  
INSURANCE FIRMS**

**“1129.45.3.5.12.** In this Part, “qualified expenditure” has the meaning assigned by section 1029.8.36.59.42.

**“1129.45.3.5.13.** Every corporation that is deemed to have paid an amount to the Minister under section 1029.8.36.59.44, on account of its tax payable under Part I, in relation to a qualified expenditure, shall pay the tax computed under the second paragraph for a taxation year (in this section referred to as the “repayment year”) in which an amount relating to an expenditure included in computing the qualified expenditure is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.36.59.44 or 1029.8.36.59.47, in relation to the qualified expenditure, exceeds the total of

(a) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister under either of those sections, in relation to the qualified expenditure, if every amount that is, at or before the end of the repayment year, so refunded, paid or allocated, in relation to an expenditure included in computing the qualified expenditure, were refunded, paid or allocated in the corporation’s last taxation year ended before 1 January 2013; and



(b) the aggregate of all amounts each of which is a tax that the corporation is required to pay to the Minister under this section for a taxation year preceding the repayment year, in relation to the qualified expenditure.

**“1129.45.3.5.14.** For the purposes of Part I, except for Division II.6.5.7 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 a qualified expenditure of the corporation, 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.

**“1129.45.3.5.15.** Unless otherwise provided in this Part, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications.”

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

**121.** (1) The Act is amended by inserting the following after section 1129.66.8:

**“PART III.15.2**

**“SPECIAL TAX ON EXCESS PROFIT SHARING PLAN AMOUNTS**

**“1129.66.9.** In this Part,

“balance-due day” has the meaning assigned by section 1;

“employer” has the meaning assigned by section 1;

“excess profit sharing plan amount”, of a specified employee for a taxation year in respect of an employer, means the amount determined by the formula

$$A - (20\% \times B);$$

“profit sharing plan” has the meaning assigned by section 1;

“specified employee” has the meaning assigned by section 1;

“trust” has the meaning assigned by section 1.

In the formula in the definition of “excess profit sharing plan amount” in the first paragraph,

(a) A is the portion of the aggregate of all amounts each of which is an amount paid by the employer of the specified employee (or by a corporation with which the employer does not deal at arm’s length) to a trust governed by

a profit sharing plan that is allocated for the year to the specified employee;  
and

(b) B is the specified employee's income for the year from an office or employment with the employer computed under Chapters I and II of Title II of Book III of Part I, except Divisions V and VI of that Chapter II.

**“1129.66.10.** If a specified employee has an excess profit sharing plan amount for a taxation year, the specified employee shall pay a tax for the year equal to the amount determined by the formula

$A \times B$ .

In the formula in the first paragraph,

(a) A is the rate specified in paragraph *d* of section 750; and

(b) B is the aggregate of all excess profit sharing plan amounts of the specified employee for the year.

**“1129.66.11.** If a specified employee would otherwise be required to pay tax under section 1129.66.10, the Minister may waive or cancel all or part of the tax if the Minister considers it just and equitable to do so having regard to all the circumstances.

**“1129.66.12.** Every person who is required to pay tax under this Part for a taxation year shall

(a) on or before the person's filing-due date for the year, file with the Minister a return for the year under this Part in the prescribed form containing prescribed information; and

(b) on or before the person's balance-due day for the year, pay to the Minister the amount of tax payable under this Part by the person for the year.

**“1129.66.13.** Unless otherwise provided in this Part, sections 1001 to 1014, 1025 to 1026.2, 1031 to 1034.0.2, 1035 to 1044.0.2 and 1045 to 1079.16 apply to this Part, with the necessary modifications.”

(2) Subsection 1 applies from the taxation year 2012. However,

(1) it does not apply in respect of a payment made to a trust governed by a profit sharing plan before 29 March 2012, or before 1 January 2013 pursuant to an obligation arising under a written agreement or arrangement entered into before 29 March 2012; and

(2) when section 1129.66.10 of the Act applies to the taxation year 2012, it is to be read as if “the rate specified in paragraph *d* of section 750” in subparagraph *a* of the second paragraph was replaced by “a rate of 24%”.

**122.** (1) The Act is amended by inserting the following after section 1129.69:

**“PART III.16.1**

**“SPECIAL TAX RELATING TO THE CREDIT FOR CULTURAL PATRONAGE**

**“1129.69.1.** In this Part, “registered pledge” has the meaning assigned by the first paragraph of section 752.0.10.1.

**“1129.69.2.** An individual who has deducted an amount in computing tax payable for a particular taxation year under section 752.0.10.6.2, in relation to a registered pledge, is required to pay tax, the amount of which is determined under the second paragraph, for the year (in this section referred to as the “year of the default”) in which the registered pledge is, because of subparagraph *i* of paragraph *b* of section 752.0.10.15.5, deemed never to have been registered.

The amount to which the first paragraph refers in respect of the particular year is equal to the aggregate of

(*a*) the amount (in subparagraph *b* referred to as the “excess tax credit amount”) obtained by multiplying 6% by the aggregate of all amounts each of which is the eligible amount of a gift that was taken into account in determining the amount that the individual deducted under section 752.0.10.6.2 for the particular year, in relation to the pledge; and

(*b*) the amount of interest computed on the excess tax credit amount at the rate set under section 28 of the Tax Administration Act (chapter A-6.002) for the period beginning on 1 May of the year following the particular year and ending before the beginning of the year of the default.

The first paragraph does not apply in respect of a particular taxation year for which the Minister may redetermine the tax, interest and penalties under Part I in accordance with subsection 2 of section 1010.

**“1129.69.3.** An individual who is required to pay tax under this Part for a taxation year shall, on or before the individual’s filing-due date for the year,

(*a*) file with the Minister, without notice or demand, a return under this Part in the prescribed form containing prescribed information;

(*b*) estimate, in the return, the amount of the individual’s tax payable under this Part for the year; and

(*c*) pay to the Minister the amount of the individual’s tax payable under this Part for the year.

**“1129.69.4.** Unless otherwise provided in this Part, sections 1001, 1002 and 1037 and Titles II, V and VI of Book IX of Part I apply to this Part, with the necessary modifications.”

(2) Subsection 1 has effect from 4 July 2013.

**123.** 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.”

**124.** (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 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15), 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 has effect from 1 January 2013.

**125.** (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.

**126.** (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;”;

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

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d.1* and who made an election under subsection 1 of section 150 of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15) with a person referred to in any of those subparagraphs, 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;”;

(e) the first paragraph of section 1159.3 is to be read as if the following subparagraph was added after subparagraph *e*:

“(f) in the case of any other person, 1.5% of the amount paid as wages in the part of the year that is not included in the temporary contribution 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 a person who is not referred to in any of subparagraphs *a* to *d* and who made an election under subsection 1 of section 150 of the Excise Tax Act with a person referred to in any of subparagraphs *a* to *d*.1 of the first paragraph, 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;” and

(e) the second paragraph of section 1159.3 is to be read as if the following subparagraph was added after subparagraph *e*:

“(f) 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, 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 the temporary contribution period and that precede 1 April 2019.””

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

(3) In addition, in applying subparagraph *i* of subparagraph *a* of the first paragraph of section 1027 of the Act, subparagraph 1 of subparagraph *iii* of that subparagraph *a* and subparagraph *a* of the third paragraph of 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 taxation year that ends after 31 December 2012, 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 and before 12 July 2013, in the case where it is referred to in subparagraph *f* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *e* of the first paragraph of section 1159.3.2 of the Act, enacted by subsection 1, and after 31 December 2012, in any other case,

(a) where the taxation year began before 1 January 2013 and 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 amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined in accordance with paragraph 1 exceeds the product obtained by multiplying, 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, the amount by which the estimated tax or tax payable, as the case may be, so determined exceeds the amount that would be its estimated tax or tax payable, as the case may be, for that taxation year if

i. the first and second paragraphs of section 1159.3 of the Act were read without reference to their subparagraph *f*, enacted by subparagraph *e* of the first and second paragraphs of section 1159.3.2 of the Act, enacted by subsection 1, and

ii. subparagraph *e* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the first paragraph of section 1159.3.2 of the Act, enacted by subsection 1, and subparagraph *e* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the second paragraph of section 1159.3.2 of the Act were read respectively 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;”;

“(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;”;



(b) where the taxation year began before 1 January 2013 and 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 amount that would be its estimated tax or tax payable, as the case may be, for that year if it were determined in accordance with paragraph 1 exceeds the product obtained by multiplying, 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, the amount by which the estimated tax or tax payable, as the case may be, so determined exceeds the amount that would be its estimated tax or tax payable for the year, as the case may be, if subparagraphs i and ii of subparagraph *a* were applied; or

(c) where the taxation year began after 31 December 2012 and the corporation is referred to in subparagraph *f* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *e* of the first paragraph of section 1159.3.2 of the Act, enacted by subsection 1, deemed to be equal to the amount that would be its estimated tax or tax payable for the year, as the case may be, if subparagraphs i and ii of subparagraph *a* were applied.

**127.** (1) Section 1159.8 of the Act is amended by replacing the first paragraph by the following paragraph:

“**1159.8.** Despite section 1000, every person other than a corporation shall file with the Minister in prescribed form, without notice or demand, a fiscal return containing prescribed information for each taxation year for which the person is required to pay tax under this Part, in respect of such portion of the tax as is determined by reference to the percentage of the amount paid as wages referred to in subparagraph *e* of the first or second paragraph of section 1159.3 or in subparagraph *f* of that first or second paragraph, enacted by subparagraph *e* of the first paragraph of section 1159.3.2 and subparagraph *e* of the second paragraph of that section, respectively.”

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

**128.** (1) Section 1159.10 of the Act is amended by adding the following paragraph:

“For the purposes of the first paragraph, in respect of the amount paid as wages after 31 December 2012 and before 12 July 2013, section 1159.3 is to be read without reference to subparagraph *f* of the first and second paragraphs, enacted by subparagraph *e* of the first and second paragraphs of section 1159.3.2, and as if subparagraph *e* of the first paragraph of section 1159.3 and subparagraph *e* of the second paragraph of that section were read respectively as follows:

“(e) in the case of any other person, 0.9% of the amount paid as wages;”;

“(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, 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;”.”

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

**129.** (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; or

(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.”

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

#### ACT TO FACILITATE THE PAYMENT OF SUPPORT

**130.** Section 57.1 of the Act to facilitate the payment of support (chapter P-2.2) is amended by replacing the first paragraph by the following paragraph:

**“57.1.** To ensure the recovery of an amount owed, the Minister may, by a demand, require that a person, whether or not that person owes an amount under this Act, file any information or any document within such reasonable time as the Minister may specify.”

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

**131.** (1) Section 2 of the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by adding the following paragraph after paragraph 8:

“(9) the Minister of Culture and Communications, as regards Schedule I.”

(2) Subsection 1 has effect from 4 July 2013.

**132.** (1) The Act is amended by adding the following after Schedule H:

**“SCHEDULE I**

**“MINISTER OF CULTURE AND COMMUNICATIONS**

**“CHAPTER I**

**“MEASURES COVERED BY THIS SCHEDULE**

**“1.1.** The Minister of Culture and Communications administers the sectoral parameters of the following fiscal measures:

(1) the increase of the eligible amount of a gift of a work of public art provided for in sections 716.0.1.1, 716.0.1.2, 752.0.10.15.1 and 752.0.10.15.2 of the Taxation Act (chapter I-3); and

(2) the increase of the eligible amount of a gift of an immovable intended for cultural purposes provided for in sections 716.0.1.1 and 752.0.10.15.1 of the Taxation Act.

**“CHAPTER II**

**“SECTORAL PARAMETERS OF INCREASE OF ELIGIBLE AMOUNT OF GIFT OF WORK OF PUBLIC ART**

**“DIVISION I**

**“INTERPRETATION AND GENERAL**

**“2.1.** In this chapter, “increase of the eligible amount of a gift of a work of public art” means

(1) the fiscal measure provided for either in section 716.0.1.1 of the Taxation Act, under which the eligible amount of a gift described in subparagraph 2 of subparagraph i of subparagraph b of the second paragraph of section 716.0.1.1 of that Act that a corporation may deduct in computing its taxable income for a taxation year is increased, or in section 752.0.10.15.1 of that Act, under which the eligible amount of a gift described in subparagraph 2 of subparagraph i of subparagraph b of the second paragraph of section 752.0.10.15.1 of that Act that an individual may deduct from the individual’s tax otherwise payable for a taxation year is increased; or

(2) the fiscal measure provided for either in section 716.0.1.2 of the Taxation Act, under which the eligible amount of a gift described in the second paragraph of section 716.0.1.2 of that Act that a corporation may deduct in computing its taxable income for a taxation year is increased, or in section 752.0.10.15.2 of that Act, under which the eligible amount of a gift described in the second paragraph of section 752.0.10.15.2 of that Act that an individual may deduct from the individual’s tax otherwise payable for a taxation year is increased.

**“2.2.** To benefit from an increase of the eligible amount of a gift of a work of public art, a person must obtain the following certificates from the Minister:

(1) a certificate relating to the acquisition and conservation of the work in a public space (in this chapter referred to as a “conservation in a public space certificate”), where the fiscal measure described in paragraph 1 of the definition of “increase of the eligible amount of a gift of a work of public art” in section 2.1 applies; or

(2) a certificate relating to the installation and conservation of the work in an educational space (in this chapter referred to as a “conservation in an educational space certificate”), where the fiscal measure described in paragraph 2 of the definition of “increase of the eligible amount of a gift of a work of public art” in section 2.1 applies.

## **“DIVISION II**

### **“CONSERVATION IN A PUBLIC SPACE CERTIFICATE**

**“2.3.** A conservation in a public space certificate issued to a person certifies that the work of public art referred to in the certificate has been acquired to be installed in a public space by a municipality in Québec or a municipal or public body performing a function of government in Québec, other than a school board, in accordance with its policy on the acquisition and conservation of works of public art.

## **“DIVISION III**

### **“CONSERVATION IN AN EDUCATIONAL SPACE CERTIFICATE**

**“2.4.** A conservation in an educational space certificate issued to a person certifies that the work of public art referred to in the certificate has been acquired to be installed in a place accessible to students and that its conservation will be ensured.

## **“CHAPTER III**

### **“SECTORAL PARAMETERS OF INCREASE OF ELIGIBLE AMOUNT OF GIFT OF IMMOVABLE INTENDED FOR CULTURAL PURPOSES**

## **“DIVISION I**

### **“INTERPRETATION AND GENERAL**

**“3.1.** In this chapter,

“artists’ studio” means non-residential premises occupied by one or more artists, artisans or craftspersons and set up so that they may create, produce, rehearse or do things there with a view to making an artistic work or art objects;

“eligible donee” means

- (1) a municipality in Québec;
- (2) a municipal or public body performing a function of government in Québec;
- (3) a registered charity, within the meaning of section 1 of the Taxation Act, operating in Québec for the benefit of the community or in the field of arts or culture;
- (4) a registered cultural or communications organization, within the meaning of section 1 of Taxation Act; or
- (5) a registered museum, within the meaning of section 1 of the Taxation Act;

“increase of the eligible amount of a gift of an immovable intended for cultural purposes” means the fiscal measure provided for either in section 716.0.1.1 of the Taxation Act, under which the eligible amount of a gift described in subparagraph ii of subparagraph *b* of the second paragraph of section 716.0.1.1 of that Act that a corporation may deduct in computing its taxable income for a taxation year is increased, or in section 752.0.10.15.1 of that Act, under which the eligible amount of a gift described in subparagraph ii of subparagraph *b* of the second paragraph of section 752.0.10.15.1 of that Act in respect of which an individual may deduct an amount from the individual’s tax otherwise payable for a taxation year is increased.

**“3.2.** To benefit from an increase of the eligible amount of a gift of an immovable intended for cultural purposes, a person must obtain either of the following qualification certificates from the Minister:

- (1) a qualification certificate in respect of a building capable of housing artists’ studios (in this chapter referred to as an “artists’ studios qualification certificate”); or
- (2) a qualification certificate in respect of a building capable of housing cultural organizations (in this chapter referred to as a “cultural premises qualification certificate”).

## **“DIVISION II**

### **“ARTISTS’ STUDIOS QUALIFICATION CERTIFICATE**

**“3.3.** An artists’ studios qualification certificate issued to a person certifies that the building referred to in the certificate is recognized as a building capable of housing artists’ studios.

**“3.4.** A building may be recognized as a building capable of housing artists’ studios if

(1) it has been acquired by an eligible donee who intends to set up premises, intended mainly to serve as artists’ studios, that will be offered for rent at affordable price ranges;

(2) it has at least 1,000 square metres of floor space that can be set up as artists’ studios;

(3) its geographical location makes it a suitable place for artists’ studios; and

(4) its conversion into artists’ studios is a feasible project that can contribute to the establishment and long-term viability of artists’ studios in an urban setting.

## **“DIVISION III**

### **“CULTURAL PREMISES QUALIFICATION CERTIFICATE**

**“3.5.** A cultural premises qualification certificate issued to a person certifies that the building referred to in the certificate is recognized as a building capable of housing cultural organizations.

**“3.6.** A building may be recognized as a building capable of housing cultural organizations if

(1) it has been acquired by an eligible donee who intends to set up mainly premises that will be offered for rent at affordable price ranges to registered charities operating in the field of arts or culture, to registered cultural or communications organizations or to registered museums; and

(2) its conversion for the purposes described in paragraph 1 is a feasible project.

For the purposes of the first paragraph, “registered charity”, “registered cultural or communications organization” and “registered museum” have the meaning assigned by section 1 of the Taxation Act.”

(2) Subsection 1 applies in respect of a gift made after 3 July 2013.

## ACT RESPECTING THE QUÉBEC SALES TAX

**133.** 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 34 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 definition in alphabetical order:

““fiscal year” of a person, at a particular time, is,

(1) where the person is a registrant under Part IX of the Excise Tax Act, the fiscal year of the person for the purposes of Part IX of that Act at that time; and

(2) in any other case,

(a) where the person has made an election under section 458.4 that is in effect, the period that the person elected to be the fiscal year of the person,

(b) where the fiscal year of the person is determined in accordance with section 458.2, the fiscal year determined in accordance with that section, or

(c) except in the cases described in subparagraphs *a* and *b*, the taxation year of the person within the meaning of Part IX of the Excise Tax Act;”;

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

““fiscal month” of a person, at a particular time, is, where the person is a registrant under Part IX of the Excise Tax Act, the fiscal month of the person for the purposes of Part IX of that Act at that time or, in any other case, the period defined as such under sections 458.1.2, 458.2 and 458.2.1;”;

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

““fiscal quarter” of a person, at a particular time, is, where the person is a registrant under Part IX of the Excise Tax Act, the fiscal quarter of the person for the purposes of Part IX of that Act at that time or, in any other case, the period defined as such under sections 458.1.1, 458.2 and 458.2.1;”.

**134.** (1) Section 22.2 of the Act is amended by replacing the introductory clause by the following:

“**22.2.** For the purposes of this subdivision II,”.

(2) Subsection 1 has effect from 1 July 2010.

**135.** (1) Section 22.15.0.1 of the Act is amended

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

**“22.15.0.1.** Subject to sections 22.15.0.3 to 22.15.0.6, a supply of a service is deemed to be made in Québec if, in the ordinary course of the supplier’s business, the supplier obtains an address in Québec that is”;

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

“The first paragraph does not apply in the case of a supply of a service performed wholly outside Canada.”

(2) Subsection 1 applies in respect of a supply made

(1) after 30 April 2010; or

(2) after 25 February 2010 and before 1 May 2010, unless a part of the consideration for the supply becomes due or is paid before 1 May 2010.

**136.** (1) Section 22.15.0.2 of the Act is amended

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

**“22.15.0.2.** Subject to section 22.15.0.1 and sections 22.15.0.3 to 22.15.0.6, a supply of a service is deemed to be made in Québec if the Canadian element of the service is performed primarily in Québec.”;

(2) by striking out the second paragraph.

(2) Subsection 1 applies in respect of a supply made

(1) after 30 April 2010; or

(2) after 25 February 2010 and before 1 May 2010, unless a part of the consideration for the supply becomes due or is paid before 1 May 2010.

**137.** (1) The Act is amended by inserting the following section after section 22.32:

**“22.32.1.** A supply made in Québec by way of sale of a road vehicle is deemed to be made outside Québec if the supplier maintains evidence satisfactory to the Minister that, on or before the day that is seven days after the day on which the vehicle was delivered in Québec to the recipient of the supply, the vehicle was registered, otherwise than temporarily, under the laws of another province relating to the registration of vehicles by or on behalf of the recipient.

This section does not apply in respect of



(1) a supply by way of retail sale of a motor vehicle other than a supply made following the exercise by the recipient of a right to acquire the vehicle, conferred on the recipient under an agreement in writing for the lease of the vehicle entered into with the supplier;

(2) a supply under section 20.1; and

(3) a supply made by a small supplier who is not a registrant, in the course of a commercial activity, of a road vehicle that must be registered under the Highway Safety Code (chapter C-24.2) following an application by the recipient of the supply.”

(2) Subsection 1 applies in respect of a supply by way of sale of a road vehicle made

(1) after 9 October 2012; or

(2) after 30 June 2010 and before 10 October 2012 if

(a) the vehicle was delivered in Québec and was registered under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut; and

(b) the supplier did not charge, collect or remit an amount as or on account of tax under section 16 of the Act in respect of the supply.

**138.** Section 42.0.7 of the Act is amended by striking out the second paragraph.

**139.** (1) Section 81 of the Act is amended by replacing paragraph 2.1 by the following paragraph:

“(2.1) goods from Canada outside Québec, if

(a) the goods are brought into Québec by

i. an individual who was formerly resident in Québec and is, at the time the goods are brought into Québec, returning to resume residence in Québec after being resident in another province, the Northwest Territories, the Yukon Territory or Nunavut for a period of not less than one year,

ii. an individual who is resident in Québec and is, at the time the goods are brought into Québec, returning after being absent from Québec for a period of not less than one year, or

iii. an individual who is, at the time the goods are brought into Québec, entering Québec with the intention of establishing a residence for a period of not less than 12 months (other than a person who enters Canada in order to reside in Canada for the purpose of employment for a temporary period not

exceeding 36 months or for the purpose of studying at an educational institution), and

(b) the goods brought into Québec are for the individual's household or personal use and were owned by and in the possession of the individual before the time they were brought into Québec, provided that, where the goods were owned by and in the possession of the individual for less than 31 days before the time they were brought into Québec, the individual paid a tax of the same nature as the tax payable under this Title that is imposed by the province or territory from which the goods were brought and the individual is not entitled to claim a rebate or a refund of that tax;"

(2) Subsection 1 has effect from 1 July 2010.

**140.** (1) Section 108 of the Act is amended

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

““qualifying health care supply” means a supply of a property or service that is made for the purpose of

(1) maintaining health;

(2) preventing disease;

(3) treating, relieving or remediating an injury, illness, disorder or disability;

(4) assisting (otherwise than financially) an individual in coping with an injury, illness, disorder or disability; or

(5) providing palliative health care.”;

(2) by replacing the definition of “homemaker service” by the following definition:

““home care service” means a household or personal care service, such as bathing, feeding, assistance with dressing or medication, cleaning, laundering, meal preparation and child care, if the service is rendered to an individual who, due to age, infirmity or disability, requires assistance.”

(2) Paragraph 1 of subsection 1 has effect from 23 March 2013.

(3) Paragraph 2 of subsection 1 has effect from 22 March 2013.

**141.** (1) The Act is amended by inserting the following section after section 108.1:

**“108.2.** For the purposes of this division, other than sections 116 and 118 to 119.2, a supply that is not a qualifying health care supply is deemed not to be included in this division.”

(2) Subsection 1 applies in respect of a supply made after 22 March 2013.

**142.** (1) The Act is amended by inserting the following section after section 114.2:

**“114.3.** A supply of a service (other than a service described in paragraph 3 of section 174) rendered in the practice of the profession of pharmacy by a particular individual is exempt if

(1) the service is rendered by the particular individual within a pharmacist-patient relationship between the particular individual and another individual and is provided for the promotion of the health of the other individual or for the prevention or treatment of a disease, disorder or dysfunction of the other individual; and

(2) the particular individual is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of pharmacy.”

(2) Subsection 1 applies in respect of a supply made after 29 March 2012.

**143.** (1) Section 117 of the Act is amended by adding the following paragraph after paragraph 2:

“(3) a person who is authorized under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of pharmacy and to order such a service, if the order is made within a pharmacist-patient relationship.”

(2) Subsection 1 applies in respect of a supply made after 29 March 2012.

**144.** (1) Section 119.1 of the Act is amended

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

**“119.1.** A supply of a home care service that is rendered to an individual in the individual’s place of residence, whether the recipient of the supply is the individual or any other person, is exempt where”;

(2) by replacing “homemaker” in the portion of paragraph 3 before subparagraph *a* and in paragraph 4 by “home care”.

(2) Subsection 1 applies in respect of a supply made after 21 March 2013.

**145.** (1) Section 141 of the Act is amended

(1) by replacing “section 108.1” in subparagraph *b* of paragraph 14 by “sections 108.1 and 108.2”;

(2) by adding the following paragraph after paragraph 14:

“(15) property or a service that

(a) is not a qualifying health care supply (as defined in section 108), and

(b) would be described in any of sections 109 to 115 and 117 if Division II of this chapter were read without reference to sections 108.1 and 108.2.”

(2) Subsection 1 applies in respect of a supply made after 22 March 2013.

**146.** (1) Section 174 of the Act is amended, in paragraph 1,

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

“(b) a drug that is set out on the list established under subsection 1 of section 29.1 of the Food and Drugs Act or that belongs to a class of drugs set out on that list, other than a drug or mixture of drugs that may, under that Act or the Food and Drug Regulations made under that Act, be sold to a consumer without a prescription;”;

(2) by replacing subparagraph *e* by the following subparagraph:

“(e) deslanoside, digitoxin, digoxin, isosorbide dinitrate, epinephrine and its salts, nitroglycerine, medical oxygen, prenylamine, quinidine and its salts, erythryl tetranitrate or isosorbide-5-mononitrate;”.

(2) Paragraph 1 of subsection 1 applies from 19 December 2013.

(3) Paragraph 2 of subsection 1 applies in respect of a supply made

(1) after 29 March 2012; or

(2) before 30 March 2012 if no amount was charged, collected or remitted before that date as or on account of tax under Title I of the Act in respect of the supply.

**147.** (1) Section 175 of the Act is replaced by the following section:

“**175.** For the purposes of this division, “specified professional” means

(1) a physician within the meaning of the Medical Act (chapter M-9) and includes a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise the profession of medicine;

(2) a person who is entitled under the Professional Code (chapter C-26) to practise the profession of physiotherapy or occupational therapy and includes a person who is entitled under the laws of another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession; or

(3) a nurse who is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut to practise that profession.”

(2) Subsection 1 applies in respect of a supply made after 29 March 2012.

**148.** (1) Section 176 of the Act is amended

(1) by replacing paragraphs 2 and 3 by the following paragraphs:

“(2) a supply of a heart-monitoring device when the device is supplied on the written order of a specified professional for use by a consumer with heart disease who is named in the order;

“(3) a supply of a hospital bed when the bed is supplied to the operator of a health care institution, within the meaning of section 108, or on the written order of a specified professional for use by an incapacitated person named in the order;”;

(2) by replacing paragraph 4.1 by the following paragraph:

“(4.1) a supply of an aerosol chamber or a metered dose inhaler for use in the treatment of asthma when the chamber or inhaler is supplied on the written order of a specified professional for use by a consumer named in the order;”;

(3) by replacing paragraph 6 by the following paragraph:

“(6) a supply of a device that is designed to convert sound to light signals when the device is supplied on the written order of a specified professional for use by a consumer with a hearing impairment who is named in the order;”;

(4) by replacing paragraph 8 by the following paragraph:

“(8) a supply of ophthalmic lenses, with or without frames, when the lenses are, or are to be, supplied on the written order of a person, or in accordance with an assessment record produced by a person, for the correction or treatment of a defect of vision of the consumer named in the order or assessment record, and the person is entitled under the laws of Québec, another province, the Northwest Territories, the Yukon Territory or Nunavut (province or territory in which the person practises) to prescribe such lenses, or to produce an assessment record to be used for the dispensing of such lenses, for the correction or treatment of the defect of vision of the consumer;”;

(5) by replacing paragraph 13.1 by the following paragraph:

“(13.1) a supply of a chair that is specially designed for use by a person with a disability if the chair is supplied on the written order of a specified professional for use by a consumer named in the order;”;

(6) by replacing paragraphs 20.1 and 20.2 by the following paragraphs:

“(20.1) a supply of an extremity pump, intermittent pressure pump or similar device for use in the treatment of lymphedema when the pump or device is supplied on the written order of a specified professional for use by a consumer named in the order;

“(20.2) a supply of a catheter for subcutaneous injections when the catheter is supplied on the written order of a specified professional for use by a consumer named in the order;”;

(7) by replacing paragraph 22 by the following paragraph:

“(22) a supply of an orthotic or orthopaedic device that is made to order for a person or is supplied on the written order of a specified professional for use by a consumer named in the order;”;

(8) by replacing paragraph 23.1 by the following paragraph:

“(23.1) a supply of footwear that is specially designed for use by a person who has a crippled or deformed foot or other similar disability, when the footwear is supplied on the written order of a specified professional;”;

(9) by inserting the following paragraph after paragraph 28:

“(28.1) a supply of a blood coagulation monitor or meter that is specially designed for use by a person requiring blood coagulation monitoring or metering, or a supply of blood coagulation testing strips or reagents compatible with a blood coagulation monitor or meter;”;

(10) by replacing paragraph 29 by the following paragraph:

“(29) a supply of any article that is specially designed for the use of blind persons when the article is supplied to or by the Canadian National Institute for the Blind or any other bona fide association or institution for blind persons for use by a blind person or on the order of or in accordance with the certificate issued by a specified professional;”;

(11) by replacing paragraphs 34 and 35 by the following paragraphs:

“(34) a supply of a graduated compression stocking, an anti-embolic stocking or similar article when the stocking or article is supplied on the written order of a specified professional for use by a consumer named in the order;

“(35) a supply of clothing that is specially designed for use by a person with a disability when the clothing is supplied on the written order of a specified professional for use by a consumer named in the order;”;

(12) by replacing paragraph 40 by the following paragraph:

“(40) a supply of a device that is specially designed for neuromuscular stimulation therapy or standing therapy, if supplied on the written order of a specified professional for use by a consumer with paralysis or a severe mobility impairment who is named in the order.”

(2) Paragraphs 1 to 3 and 5 to 12 of subsection 1 apply in respect of a supply made after 29 March 2012.

(3) Paragraph 4 of subsection 1 applies in respect of a supply made

(1) after 29 March 2012; or

(2) before 30 March 2012 if no amount was charged, collected or remitted before that date as or on account of tax under Title I of the Act in respect of the supply.

**149.** Section 289.2 of the Act, amended by section (*insert the number of the section in Bill 34 that amends section 289.2 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 by striking out the definition of “fiscal year” in the first paragraph.

**150.** (1) Section 294 of the Act is amended by replacing paragraph 1 by the following paragraph:

“(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the four calendar quarters immediately preceding the particular calendar quarter, or that was paid in those four calendar quarters without having become due, to the person or an associate of the person at the beginning of the particular calendar quarter for taxable supplies made inside or outside Québec by the person or associate, other than

(a) supplies of financial services;

(b) supplies by way of sale of capital property of the person or associate; and

(c) supplies of movable property that are exempt supplies for the purposes of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);”.

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

**151.** (1) Section 295 of the Act is amended by replacing paragraph 1 by the following paragraph:

“(1) the total of all amounts each of which is the value of the consideration (other than consideration referred to in section 75.2 that is attributable to goodwill of a business) that became due in the calendar quarter or was paid in that calendar quarter without having become due, to the person or an associate of the person at the beginning of the calendar quarter for taxable supplies made inside or outside Québec by the person or associate, other than

(a) supplies of financial services;

(b) supplies by way of sale of capital property of the person or associate; and

(c) supplies of movable property that are exempt supplies for the purposes of the Excise Tax Act (Revised Statutes of Canada, 1985, chapter E-15);”.

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

**152.** Section 297.0.1 of the Act is amended by striking out the second paragraph.

**153.** Section 297.0.24 of the Act is repealed.

**154.** Section 317.3 of the Act is repealed.

**155.** (1) Section 350.5 of the Act is amended by inserting the following subparagraph after subparagraph 1 of the first paragraph:

“(1.1) the payment and receipt of the amount are deemed not to be a financial service; and”.

(2) Subsection 1 applies in respect of an amount paid after 31 December 2012.

**156.** Section 350.23.1 of the Act is amended by striking out the definition of “fiscal year”.

**157.** (1) The heading of subdivision I of subdivision 1 of Division I of Chapter VII of Title I of the Act is replaced by the following heading:

“I. — *Property or services*”.

(2) Subsection 1 has effect from 1 July 2010.

**158.** (1) Section 351 of the Act is amended by striking out the second paragraph.



(2) Subsection 1 has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

**159.** (1) Section 352 of the Act is replaced by the following section:

**“352.** A person who is resident in Canada is entitled to a rebate of the tax paid by the person in respect of a supply made in Québec by way of sale of a property that is corporeal movable property of which the person is the recipient (other than a property included in the second paragraph of section 351), a mobile home or a floating home, if the person takes or ships the property to another province, the Northwest Territories, the Yukon Territory or Nunavut within 30 days after it is delivered to the person and if the prescribed conditions are satisfied.

For the purposes of the first paragraph, the period during which a property that has been delivered in Québec to a person is held in storage must not be taken into account in determining whether the person takes or ships the property to the other province or the territory within 30 days after delivery.

No person is entitled to a rebate under the first paragraph unless

(1) the person files an application for a rebate within one year after the day the person takes or ships the property to the other province or the territory;

(2) except where the application is a prescribed application, where the person is an individual, the individual has not made another application for a rebate under this section in the calendar quarter in which the application is made;

(3) where the person is not an individual, the person has not made another application for a rebate under this section in the month in which the application is made; and

(4) prescribed circumstances, if any, exist.

No rebate is paid under this section to a person that is a listed financial institution described in paragraph 6 or 9 of the definition of “listed financial institution” in section 1.”

(2) Subsection 1, except when it enacts the fourth paragraph of section 352 of the Act, has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

(3) Subsection 1, when it enacts the fourth paragraph of section 352 of the Act, applies in respect of an amount of tax that became payable, or was paid without having become payable, after 31 December 2012.

**160.** (1) Sections 352.1 and 352.2 of the Act are repealed.

(2) Subsection 1 has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

**161.** (1) Section 353 of the Act is repealed.

(2) Subsection 1 has effect from 1 January 2013, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

(3) In addition, when section 353 of the Act applies after 30 June 2010, it is to be read as if “the third paragraph of section 351” in the first paragraph was replaced by “the second paragraph of section 351 and the first paragraph of section 352”.

**162.** (1) Sections 353.0.1 and 353.0.2 of the Act are repealed.

(2) Subsection 1 has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

**163.** (1) Section 353.0.3 of the Act is amended by replacing the portion of the first paragraph before the formula by the following:

**“353.0.3.** Subject to section 353.0.4, where a person who is resident in Canada is the recipient of a supply of incorporeal movable property or a service that is acquired by the person for consumption, use or supply to an extent of at least 10% outside Québec and tax under section 16 is paid by the person in respect of the supply, the person is entitled to a rebate of tax equal to the amount determined by the formula”.

(2) Subsection 1 has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

**164.** (1) Section 357 of the Act is amended

(1) by replacing the portion before paragraph 1 in the French text by the following:

**“357.** Une personne n’a droit au remboursement prévu à l’un des articles 351 et 353.1 que si, à la fois:”;

(2) by striking out subparagraph *a.1* of paragraph 1;

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

“(4) in the case of a rebate under section 351, the person is not resident in Canada at the time the application for a rebate is made;”.

(2) Subsection 1 has effect from 1 July 2010, except in respect of an application for a rebate filed before (*insert the date of introduction of this bill*).

**165.** (1) The Act is amended by inserting the following after section 382.7:

“§4.1.1. — *Motor vehicle — Modification service*

“**382.7.1.** A person is entitled to a rebate of that portion of the total tax payable under section 17 in respect of a motor vehicle that is equal to the tax calculated on the portion of the value of the vehicle, within the meaning of section 17, that is attributable to a service (in this section referred to as the “modification service”) and to any property (other than the vehicle) supplied in conjunction with, and because of, the supply of the service, if

(1) the person acquires the modification service, performed on a motor vehicle of the person outside Québec, of specially equipping or adapting the vehicle for its use by or in transporting a person using a wheelchair, or specially equipping the vehicle with an auxiliary driving control to facilitate the operation of the vehicle by a person with a disability;

(2) the person brings the motor vehicle into Québec after the modification service is performed;

(3) the person has paid all tax payable in respect of the bringing in; and

(4) the person files with the Minister an application for a rebate within four years after the day on which the person brings the motor vehicle into Québec.”

(2) Subsection 1 has effect from 4 April 1998. In addition, it applies to the bringing of a motor vehicle into Québec made after that date.

(3) Despite paragraph 4 of section 382.7.1 of the Act, enacted by subsection 1, a person has four years after (*insert the date of assent to this Act*) to file an application, under that section, for a rebate of the tax that became payable before (*insert the date of assent to this Act*) in respect of the bringing of a motor vehicle into Québec.

(4) The application referred to in subsection 3 may, despite the second paragraph of section 403 of the Act, be a person’s second application for a rebate if, before (*insert the date of assent to this Act*), the person had made an application for the rebate in respect of which an assessment has been made.

**166.** Section 405 of the Act is repealed.

**167.** Section 427.2 of the Act is replaced by the following section:

“**427.2.** For the purposes of this division, “inventory” of a person means corporeal movable property of the person acquired in Québec or brought into Québec by the person for supply by way of sale in the ordinary course of a business carried on by the person in Québec.”

**168.** Section 431 of the Act is amended by striking out the second paragraph.

**169.** Section 433.14 of the Act is repealed.

**170.** Section 433.15 of the Act is amended by replacing “433.14” by “433.13”.

**171.** Section 434 of the Act is amended by striking out the third paragraph.

**172.** Section 443 of the Act is amended by adding the following paragraph:

“However, the Minister is not required to pay the refund to a person who is a registrant unless the Minister considers that all information, that is contact information or that is information relating to the identification and business activities of the person, to be given by the person on the application for registration made by the person under sections 407 to 412 has been provided and is accurate.”

**173.** Section 450.0.1 of the Act, amended by section (*insert the number of the section in Bill 34 that amends section 450.0.1 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 by striking out the definition of “fiscal year”.

**174.** Section 452 of the Act is repealed.

**175.** Section 457.1 of the Act is amended by striking out the fourth paragraph.

**176.** Section 457.1.3 of the Act is amended by striking out the definition of “fiscal year”.

**177.** Section 457.2 of the Act is amended by striking out the second paragraph.

**178.** Section 458.0.1 of the Act is amended by striking out “within the meaning of section 458.1” in the portion before paragraph 1.

**179.** Section 458.1 of the Act is repealed.

**180.** Section 473.2 of the Act is amended by striking out the definition of “fiscal year”.

**181.** Section 499.1 of the Act is amended by replacing “section 458.1” wherever it appears in the first paragraph by “section 1”.

**182.** Section 499.4 of the Act is amended by replacing “section 458.1” in the portions of each of paragraphs 1 and 2 before their respective subparagraphs *a* by “section 1”.

**183.** Section 539 of the Act is replaced by the following section:

**“539.** Every person who, during a race card, receives amounts that are placed as bets under a pari-mutuel system shall, at that time and as a mandatary of the Minister, collect the tax provided for in section 538 in the manner specified by the Minister.

The person shall remit to the Minister the tax that the person collected, or should have collected, on or before the last day of the calendar month following that in which the person received the amounts placed as bets referred to in the first paragraph and, at the same time, submit a report to the Minister in the manner specified by the Minister.”

**184.** (1) Section 677 of the Act, amended by section (*insert the number of the section in Bill 34 that amends section 677 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 by replacing subparagraph 35 of the first paragraph by the following subparagraph:

“(35) determine, for the purposes of section 352, the prescribed conditions and circumstances and which applications for a rebate are prescribed applications;”.

(2) Subsection 1 has effect from 1 July 2010.

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





