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# NATIONAL ASSEMBLY OF QUÉBEC

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SECOND SESSION

FORTY-SECOND LEGISLATURE

Bill 5

**An Act to give effect to fiscal  
measures announced in the Budget  
Speech delivered on 25 March 2021  
and to certain other measures**

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**Introduction**

**Introduced by  
Mr. Eric Girard  
Minister of Finance**

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## EXPLANATORY NOTES

*The purpose of this bill is to give effect to fiscal measures announced in the Budget Speech delivered on 25 March 2021 and in various Information Bulletins published in 2019, 2020 and 2021.*

*For the purpose of introducing or modifying measures specific to Québec, the bill amends the Tax Administration Act, the Taxation Act, the Act respecting the sectoral parameters of certain fiscal measures and the Act respecting the Régie de l'assurance maladie du Québec to, in particular,*

*(1) enhance the refundable tax credit for home support for seniors;*

*(2) change the conditions governing the attribution of the refundable tax credit granting an allowance to families in the event of the placement of a minor child;*

*(3) increase the rate of the small business deduction and reduce the rate of the tax credit for non-eligible dividends accordingly;*

*(4) temporarily enhance the refundable tax credit for on-the-job training periods;*

*(5) enhance the tax holiday for large investment projects;*

*(6) add restrictions to certain tax incentives in relation to the presence of content encouraging violence or discrimination or comprising explicit sex scenes; and*

*(7) maintain the compensation tax for financial institutions.*

*The Act constituting Capital régional et coopératif Desjardins, the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi, the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) and the Taxation Act are amended to make certain adjustments to the investment requirements of those tax-advantaged funds and to make changes to certain parameters concerning Capital régional et coopératif Desjardins.*

*In addition, the Mining Tax Act is amended to, among other things, introduce an allowance for the development of critical and strategic minerals and eliminate the sustainable development certification allowance.*

*The Act to improve the performance of the Société de l'assurance automobile du Québec, to better regulate the digital economy as regards e-commerce, remunerated passenger transportation and tourist accommodation and to amend various legislative provisions is amended in order to defer the deadline for implementing a system for recording sales in the remunerated passenger transportation sector.*

*In addition, as a consequence of the COVID-19 pandemic, the Taxation Act, the Act respecting the sectoral parameters of certain fiscal measures, the Act respecting the Régie de l'assurance maladie du Québec and the Act respecting the Québec sales tax are amended to implement various measures whose effects are to, in particular,*

*(1) add temporary discretionary powers for the administration of certain tax incentives;*

*(2) extend the credit for employer contributions to the Health Services Fund in respect of employees on paid leave;*

*(3) add an option for the computation of remunerated hours for the purposes of the small business deduction; and*

*(4) temporarily enhance the tax credit relating to investment and innovation.*

*In addition, the Taxation Act and the Act respecting the Québec sales tax are amended to make amendments similar to those made to the Income Tax Act and the Excise Tax Act mainly by Bill C-30, assented to on 29 June 2021. More specifically, the amendments deal with*

*(1) the maintenance of a registered disability savings plan after its beneficiary is no longer eligible for the federal tax credit for severe and prolonged impairment in mental or physical functions;*

*(2) the temporary relaxation of the criteria for applying the deduction for goods and services to support a disabled person and the refundable tax credit for child care expenses;*

*(3) the tax treatment of emergency benefits related to the COVID-19 pandemic;*

*(4) the rules relating to the designation of a deemed capital gain in connection with a family business transfer; and*

*(5) the zero-rating of face masks and shields.*

*The bill also provides for the provisions necessary for a more timely recording of certain expenditures due to the change in the application of the accounting standard on transfer payments, and allows, to that end, for the sums providing for the payment of those expenditures to be taken out of the Consolidated Revenue Fund.*

*Lastly, the bill makes 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);
- Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);
- Act respecting international financial centres (chapter C-8.3);
- Money-Services Businesses Act (chapter E-12.000001);
- Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l’emploi (chapter F-3.1.2);
- Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1);
- Mining Tax Act (chapter I-0.4);
- 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 Régie de l'assurance maladie du Québec (chapter R-5);
- Act respecting the Québec Pension Plan (chapter R-9);
- Act respecting the Québec sales tax (chapter T-0.1);
- Act to improve the performance of the Société de l'assurance automobile du Québec, to better regulate the digital economy as regards e-commerce, remunerated passenger transportation and tourist accommodation and to amend various legislative provisions (2018, chapter 18).

**ORDER IN COUNCIL REPEALED BY THIS BILL:**

- Order in Council 1185-2020 dated 11 November 2020 (2020, G.O. 2, 3139), regarding the coming into force of certain provisions of the Act to improve the performance of the Société de l'assurance automobile du Québec, to better regulate the digital economy as regards e-commerce, remunerated passenger transportation and tourist accommodation and to amend various legislative provisions.



## Bill 5

### AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2021 AND TO CERTAIN OTHER MEASURES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

#### TAX ADMINISTRATION ACT

**L.** (1) Section 25.1.2 of the Tax Administration Act (chapter A-6.002), amended by section 22 of chapter 15 of the statutes of 2021, is replaced by the following section:

**“25.1.2.** Subject to the second paragraph, where a formal demand relating to an amount that may be owed by a particular person under a fiscal law or to a refund to which the particular person may be entitled under such a law has been notified in accordance with the second paragraph of section 39 to a person regarding the filing of information, additional information or documents, the time limit described in the second paragraph of section 25, that applies in respect of the particular person, is suspended for the period that begins on the day the formal demand is notified and ends on the day the formal demand or the order provided for in section 39.2 is complied with or, in the case of contestation, the day on which a final judgment is rendered in relation to the formal demand or the order and on which, if applicable, the information, additional information or documents, as the case may be, are filed in accordance with the formal demand or the order.

Where the formal demand referred to in the first paragraph relates to an amount that may be owed by a particular person under the Act respecting the Québec sales tax (chapter T-0.1) or section 288 of the Act respecting remunerated passenger transportation by automobile (chapter T-11.2), or to a refund to which the particular person may be entitled under that Act or because of the application of that section, the period during which the time limit described in the second paragraph of section 25 is suspended begins on the day an application for judicial review is presented before the Superior Court in relation to the formal demand, where the formal demand is notified to the particular person in accordance with the second paragraph of section 39, or, where the Minister made, in accordance with section 39.2, an application to a judge of the Court of Québec to issue an order, in relation to the formal demand, the day on which the particular person contests the application for an order, and ends on the day on which a final judgment is rendered in relation to the formal demand or the order and on which, if applicable, the information, additional information or documents, as the case may be, are filed in accordance with the formal demand or the order.”

(2) Subsection 1 has effect from 29 June 2021. However, where the second paragraph of section 25.1.2 of the Tax Administration Act has effect before 1 October 2021, it is to be read as follows:

“Where the formal demand referred to in the first paragraph relates to an amount that may be owed by a particular person under the Act respecting the Québec sales tax (chapter T-0.1) or to a refund to which the particular person may be entitled under that Act, the period during which the time limit described in the second paragraph of section 25 is suspended begins on the day an application for judicial review is presented before the Superior Court in relation to the formal demand, where the formal demand is notified to the particular person in accordance with the second paragraph of section 39, or, where the Minister made, in accordance with section 39.2, an application to a judge of the Court of Québec to issue an order, in relation to the formal demand, the day on which the particular person contests the application for an order, and ends on the day on which a final judgment is rendered in relation to the formal demand or the order and on which, if applicable, the information, additional information or documents, as the case may be, are filed in accordance with the formal demand or the order.”

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

(1) by replacing the portion before subparagraph *a* of the first paragraph 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 notified in accordance with the second paragraph, 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, in accordance with the second paragraph:”;

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

“The notification or filing to which the first paragraph refers may be

(a) by registered mail;

(b) by personal service; or

(c) by way of electronic filing, where the person is a bank or a savings and credit union, within the meaning assigned to those expressions by section 1 of the Taxation Act (chapter I-3), that has provided written consent to be notified by way of electronic filing.

The filing, by way of electronic filing, of information, additional information or documents by a bank or a savings and credit union must be done in accordance with the terms and conditions specified by the Minister.”

(2) Subsection 1 has effect from 29 June 2021.



**3.** Section 44 of the Act is amended

(1) by replacing “aux fins de la présente loi” in the first paragraph in the French text by “pour l’application de la présente loi”;

(2) by replacing “before the hearing of the application” in the third paragraph by “before the application is heard”.

**4.** Section 51 of the Act is amended by replacing the first paragraph by the following paragraph:

“The judge shall fix, by order, the date on which the application is to be heard, which must not be later than the 21st day following the date of presentation of the application.”

**5.** (1) Section 58.1.1 of the Act is amended

(1) by inserting the following paragraph after paragraph *h.1*:

“(h.2) trust tax identification number; and”;

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

“For the purposes of subparagraph *h.2* of the first paragraph and section 58.1.2, “trust tax identification number” means the number used by the Minister to identify a trust and that was communicated to the trust by the Minister.”

(2) Subsection 1 applies in respect of a return, report or other document that must be filed after 25 March 2021.

**6.** (1) The Act is amended by inserting the following section after section 58.1.1:

**“58.1.2.** A trust that is required to file a return, report or other document exigible under a fiscal law, or that is referred to in such a return, report or other document that another person is required to file, must apply to the Minister for the assignment of a trust tax identification number using the prescribed form containing prescribed information.”

(2) Subsection 1 applies in respect of a return, report or other document that must be filed after 25 March 2021.

**7.** (1) Section 59.0.3 of the Act is amended by replacing the third paragraph by the following paragraph:

“However, where the request concerns the person’s Social Insurance Number, the person’s trust account number, within the meaning of subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement), or the person’s trust tax identification number, within the

meaning of the second paragraph of section 58.1.1, the penalties do not apply if, not later than 15 days following the request, the person applied for the assignment of such a number and has provided the number to the person requiring it within 15 days after receiving it.”

(2) Subsection 1 has effect from 25 March 2021. However, where section 59.0.3 of the Act applies before 2 June 2021, it is to be read as if the third paragraph were replaced by the following paragraph:

“However, where the request concerns the person’s Social Insurance Number or the person’s trust tax identification number, within the meaning of the second paragraph of section 58.1.1, the penalties do not apply if, not later than 15 days following the request, the person applied for the assignment of such a number and has provided the number to the person requiring it within 15 days after receiving it.”

**8.** Section 64 of the Act, amended by section 28 of chapter 15 of the statutes of 2021, is again amended by inserting “60.4,” after both occurrences of “60.2.”

**9.** Section 69.0.0.15 of the Act is amended by replacing “the fair hearing of a person’s case” in the second paragraph by “a person’s right to a fair hearing”.

**10.** Section 69.0.3 of the Act is amended

(1) by replacing “chargé de l’audition” in the portion before subparagraph *a* of the first paragraph in the French text by “chargé d’entendre la demande”;

(2) by replacing “s’il estime” in the second paragraph in the French text by “s’il l’estime”;

(3) by replacing “within 10 days” in the third paragraph by “on or before the 10th day”;

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

“An application under the first or the third paragraph shall be heard in camera. The Minister is entitled to make representations ex parte, where a first instance or appeal application is heard.”

**11.** (1) The Act is amended by inserting the following section after section 80:

**“80.1.** Where a fiscal law or a regulation made under such a law provides for the notification of a person by way of electronic filing, an affidavit of an employee of the Agency shall constitute proof, in the absence of proof to the contrary, that such provision of the law or regulation was complied with.

In the affidavit, the employee attests

(a) that the employee has had knowledge of the facts relevant to the particular case;

(b) that the person was notified by way of electronic filing and the date of the notification; and

(c) that a true copy of the notification and of the electronic message confirming that the person was notified are annexed to the affidavit.”

(2) Subsection 1 has effect from 29 June 2021.

**12.** Section 93 of the Act is amended by striking out the third paragraph.

**13.** Section 93.1 of the Act is repealed.

**14.** (1) Section 93.1.8 of the Act is amended

(1) by striking out “1029.8.36.91,” in the first paragraph;

(2) by inserting “1079.8.15.1,” after “1079.8.15,” in the first paragraph;

(3) by replacing “and 1079.16” in the first paragraph by “to 1079.16, 1082.0.4 and 1082.0.5”;

(4) by replacing “bringing an appeal” in the third paragraph by “making an appeal”.

(2) Paragraph 2 of subsection 1 and paragraph 3 of that subsection, where it adds, in the first paragraph of section 93.1.8 of the Act, a reference to sections 1082.0.4 and 1082.0.5 of the Taxation Act (chapter I-3), have effect from 17 May 2019.

(3) Paragraph 3 of subsection 1, where it adds, in the first paragraph of section 93.1.8 of the Tax Administration Act, a reference to section 1079.15.1.1 of the Taxation Act, has effect from 18 September 2019.

(4) Paragraph 3 of subsection 1, where it adds, in the first paragraph of section 93.1.8 of the Tax Administration Act, a reference to section 1079.15.2 of the Taxation Act, has effect from 11 November 2017.

**15.** (1) Section 93.1.12 of the Act is amended, in the first paragraph,

(1) by striking out “1029.8.36.91,”;

(2) by inserting “1079.8.15.1,” after “1079.8.15,”;

(3) by replacing “and 1079.16” by “to 1079.16, 1082.0.4 and 1082.0.5”.

(2) Paragraph 2 of subsection 1 and paragraph 3 of that subsection, where it adds, in the first paragraph of section 93.1.12 of the Act, a reference to sections 1082.0.4 and 1082.0.5 of the Taxation Act, have effect from 17 May 2019.

(3) Paragraph 3 of subsection 1, where it adds, in the first paragraph of section 93.1.12 of the Tax Administration Act, a reference to section 1079.15.1.1 of the Taxation Act, has effect from 18 September 2019.

(4) Paragraph 3 of subsection 1, where it adds, in the first paragraph of section 93.1.12 of the Tax Administration Act, a reference to section 1079.15.2 of the Taxation Act, has effect from 11 November 2017.

**16.** Section 93.1.19 of the Act is amended by replacing “the hearing thereof” by “the hearing”.

**17.** Section 93.1.23 of the Act is amended by replacing “brought” in the third paragraph by “initiated” and by replacing “encourus” in that paragraph in the French text by “engagés”.

**18.** (1) Section 93.2 of the Act, amended by section 30 of chapter 15 of the statutes of 2021, is again amended

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

“(e) the determination of a property tax refund under the Act respecting property tax refund (chapter R-20.1) in respect of a year preceding the year 2011;”;

(2) by replacing “brings an appeal” in the second paragraph by “files a contestation”.

(2) Paragraph 2 of subsection 1 has effect from 1 January 2021.

**19.** (1) Section 93.14.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“Within 90 days following the date the office of the Small Claims Division of the Court of Québec receives a contestation, the Agency shall file with the office and notify to the person a memorandum setting out its defence along with the exhibits or copies of the exhibits in support of the contentions of the defence.”

(2) Subsection 1 has effect from 1 January 2021.

**20.** (1) Section 95.2 of the Act is amended by replacing the portion before paragraph *a* by the following:

**“95.2.** At any time after the expiry of the time limit provided for in the second paragraph of section 25, paragraph 3 of section 43 of the Mining Tax Act (chapter I-0.4) or paragraph *a* or *a.0.1* of subsection 2 of section 1010 of the Taxation Act (chapter I-3) to make a reassessment, the Minister may formulate an alternative basis or argument—including that all or any portion of the income to which an amount relates was from a different source—in support of all or any portion of the total amount determined on assessment to be payable or remittable by a taxpayer under a fiscal law unless, on a contestation filed in accordance with Chapter III.2 or IV or an appeal initiated under this Act.”.

(2) Subsection 1 has effect from 1 January 2021, except where it replaces “appeal under” in the portion of section 95.2 of the Act before paragraph *a* by “appeal initiated under”.

**21.** The Act is amended

(1) by replacing “brings an appeal” in section 10.1 by “makes an appeal”;

(2) by replacing “bringing such an appeal” in section 12.0.3 by “making an appeal”;

(3) by replacing “brings an appeal” in section 21.0.1 by “makes an appeal”;

(4) by replacing “an appeal under” in section 35.4 by “an appeal initiated under” and by replacing all occurrences of “brought” in section 93.1.21 by “initiated”;

(5) by replacing “d’audition” in sections 69.10 and 93.1.19.4 in the French text by “de l’audience”;

(6) by replacing “l’audition” in sections 93.8 and 93.9 in the French text by “l’audience”.

#### UNCLAIMED PROPERTY ACT

**22.** Section 47 of the Unclaimed Property Act (chapter B-5.1) is amended by striking out the third paragraph.

ACT CONSTITUTING CAPITAL RÉGIONAL ET  
COOPÉRATIF DESJARDINS

**23.** (1) Section 10 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) is amended by replacing “or the period that ends on 28 February 2021” in subparagraph 5 of the second paragraph by “, the period that ends on 28 February 2021, the period that ends on 28 February 2022 or the period that ends on 28 February 2023”.

(2) Subsection 1 has effect from 1 March 2021.

**24.** (1) Section 10.1 of the Act is amended by replacing the first paragraph by the following paragraph:

“The aggregate of all amounts each of which is the value of a consideration that a person has paid or has undertaken to pay, in a conversion period, for the acquisition of a class “B” share or fractional share of the Société may not exceed

(1) \$100,000,000, where the conversion period is

(a) the period that ends on 28 February 2019,

(b) the period that ends on 29 February 2020, or

(c) the period that ends on 28 February 2021; or

(2) \$50,000,000, where the conversion period is

(a) the period that ends on 28 February 2022, or

(b) the period that ends on 28 February 2023.”

(2) Subsection 1 has effect from 1 March 2021.

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

(1) by replacing “2021” in subparagraph 7 of the fifth paragraph by “2026”;

(2) by replacing “2021” in subparagraphs 0.1, 2.1 and 2.2 of the tenth paragraph by “2024”;

(3) by replacing “2022” in subparagraph 4 of the tenth paragraph by “2027”;

(4) by replacing “2021” in the eleventh paragraph by “2024”;

(5) by replacing “2021” in subparagraph 9 of the twelfth paragraph by “2024”.

(2) Paragraphs 1 and 3 of subsection 1 have effect from 25 March 2021.

(3) Paragraphs 2, 4 and 5 of subsection 1 have effect from 1 January 2021.

**26.** (1) Schedule 3 to the Act is amended by replacing “2021” in the heading of Division II by “2024”.

(2) Subsection 1 has effect from 1 January 2021.

**27.** (1) Schedule 4 to the Act is amended by replacing “2021” in the heading of Division II by “2024”.

(2) Subsection 1 has effect from 1 January 2021.

#### ACT RESPECTING INTERNATIONAL FINANCIAL CENTRES

**28.** (1) Section 4 of the Act respecting international financial centres (chapter C-8.3) is amended by inserting the following definition in alphabetical order:

““qualified establishment” of a corporation means an establishment of the corporation in which it carries on its business and engages in activities pertaining to qualified international financial transactions or to one or more eligible contracts of the corporation and requiring that the corporation employ, at the establishment, at least six eligible employees, within the meaning of section 776.1.27 or 1029.8.36.166.61 of the Taxation Act;”.

(2) Subsection 1 applies to a taxation year that ends after 30 June 2021.

**29.** (1) Section 6 of the Act is amended

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

“(2) all the activities of which pertain to qualified international financial transactions or to one or more eligible contracts of the corporation;”;

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

“(4) the activities of which are engaged in in one or more of the corporation’s qualified establishments located within the urban agglomeration of Montréal; and”;

(3) by replacing “the place” in the third paragraph by “one of the qualified establishments”.

(2) Subsection 1 applies to a taxation year that ends after 30 June 2021.

**30.** (1) Section 68 of the Act is replaced by the following section:

**“68.** For the purposes of subparagraph 3 of the first paragraph of section 66, an individual who, at any time, works exclusively or almost exclusively for a group of corporations or partnerships each of which is operating an international financial centre, including the particular corporation or partnership referred to in that section, is deemed to be working at that time exclusively or almost exclusively for the particular corporation or partnership if, at that time, the requirement set out in subparagraph 4 of the first paragraph of section 66 is satisfied as regards each of those corporations or partnerships in relation to its international financial centre.”

(2) Subsection 1 applies to a taxation year that ends after 30 June 2021.

#### MONEY-SERVICES BUSINESSES ACT

**31.** (1) Section 12 of the Money-Services Businesses Act (chapter E-12.000001), amended by section 38 of chapter 5 of the statutes of 2020, is again amended by replacing paragraph 8 by the following paragraph:

“(8) is liable to a penalty under section 1079.13.1 or 1079.13.2 of the Taxation Act (chapter I-3) in relation to an assessment in respect of which any time limit for objecting has expired or, if the business validly objected to the assessment, filed a contestation regarding the assessment or initiated an appeal from the assessment to a court of competent jurisdiction, in respect of which the objection, contestation or appeal, as the case may be, is finally settled; or”.

(2) Subsection 1 applies from 13 September 2021.

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

**32.** (1) Section 19 of the Act to establish Fondation, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2) is amended

(1) by replacing “2021” in subparagraph 8 of the fifth paragraph by “2026”;

(2) by replacing “2022” in subparagraph 4 of the eleventh paragraph by “2027”.

(2) Subsection 1 has effect from 25 March 2021.



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

**33.** (1) Section 15 of the Act to establish the Fonds de solidarité des travailleurs du Québec (F.T.Q.) (chapter F-3.2.1) is amended

(1) by replacing “2021” in subparagraph 8 of the sixth paragraph by “2026”;

(2) by replacing “2022” in subparagraph 4 of the twelfth paragraph by “2027”.

(2) Subsection 1 has effect from 25 March 2021.

MINING TAX ACT

**34.** (1) Section 4.8 of the Mining Tax Act (chapter I-0.4) is amended by replacing subparagraph *a* of paragraph 2 by the following subparagraph:

“(a) relates to the undepreciated capital cost of the operator’s property of a class within the meaning of section 9, the operator’s cumulative exploration, mineral deposit evaluation and mine development expenses within the meaning of section 16.1, the operator’s cumulative exploration expenses in respect of expenses incurred after 30 March 2010 within the meaning of section 16.9, the operator’s cumulative pre-production development expenses in respect of expenses incurred after 30 March 2010 within the meaning of section 16.11, the operator’s cumulative post-production development expenses in respect of a mine within the meaning of section 16.13, the cumulative critical and strategic mineral development expenses within the meaning of section 16.13.0.2, the cumulative community consultation expenses within the meaning of section 16.13.2, the cumulative environmental studies expenses within the meaning of section 16.13.4, the cumulative sustainable development certification expenses within the meaning of section 16.13.6, the operator’s cumulative exploration expenses in respect of expenses incurred before 31 March 2010 within the meaning of section 19.2, and the cumulative expenses relating to a Northern mine within the meaning of section 26.2 (each of which is in this paragraph referred to as a “pool amount”), and”.

(2) Subsection 1 has effect from 26 March 2021.

**35.** (1) Section 8 of the Act is amended, in the second paragraph,

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

“(b) an amount, other than government assistance, received or receivable by the operator in the fiscal year from a person or partnership, because of an expense incurred by the operator for a particular fiscal year and that is an expense deducted in computing annual profit for the particular fiscal year or an expense taken into account for the particular fiscal year, for the purposes of

subparagraph *b* of subparagraph 1 of the second paragraph of section 16.1 or subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13.0.2, 16.13.2, 16.13.4 and 16.13.6; and”;

(2) by inserting the following subparagraph after subparagraph *g* of subparagraph 2:

“(g.1) subject to section 16.13.0.1, if the operator is an eligible operator, the amount deducted by the operator, for the fiscal year, as a critical and strategic mineral development allowance,”;

(3) by replacing subparagraph *j* of subparagraph 2 by the following subparagraph:

“(j) subject to section 16.13.5, the amount deducted by the operator, for the fiscal year, as a sustainable development certification allowance in respect of expenses incurred before 1 January 2022.”

(2) Subsection 1 has effect from 26 March 2021.

**36.** (1) Section 9 of the Act is amended, in the first paragraph,

(1) by replacing subparagraph *d* of paragraph 1 of the definition of “undepreciated capital cost” by the following subparagraph:

“(d) the total of all amounts each of which is an amount of government assistance, determined taking into account, where applicable, the adjustment, provided for in section 9.2, of the capital cost of the property of that class to which the amount of assistance relates, that was repaid by the operator, before that time, pursuant to a legal obligation, subsequent to the alienation of the property and that would have been included in determining the capital cost of the property under section 9.1 had the repayment been made before the alienation; exceeds”;

(2) by replacing subparagraph *e* of paragraph 2 of the definition of “undepreciated capital cost” by the following subparagraph:

“(e) the total of all amounts each of which is an amount of government assistance, determined taking into account, where applicable, the adjustment, provided for in section 9.2, of the capital cost of the property of that class to which the amount of assistance relates, that the operator received or was entitled to receive before that time subsequent to the alienation of the property and that would have been included under section 9.1 in the amount of assistance that the operator received or was entitled to receive in respect of the property had the amount been received before the alienation of the property;”;

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

““proceeds of alienation” of property, subject to subdivision 5 and taking into account the necessary adjustments by reason of the application of section 9.2, means”.

(2) Subsection 1 has effect from 31 March 2010. However, where section 9 of the Act applies before 6 May 2013, the portion of the definition of “proceeds of alienation” in the first paragraph before paragraph 1 is to be read as follows:

““proceeds of alienation” of property, taking into account the necessary adjustments by reason of the application of section 9.2, means”.

**37.** (1) Section 9.1 of the Act is replaced by the following section:

**“9.1.** For the purposes of this Act, if an operator has received or is entitled to receive government assistance in respect of property or for the acquisition of property, the capital cost to the operator of the property at a particular time is deemed to be equal to the amount by which the total of the capital cost of the property, determined without reference to this section and section 9.2, and the amount of the assistance in respect of the property, repaid by the operator pursuant to a legal obligation, before alienation of the property and before the particular time, exceeds the amount of assistance that the operator received or is entitled to receive, before the particular time, in respect of the property before its alienation.”

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

**38.** (1) The Act is amended by inserting the following section after section 9.1.1:

**“9.2.** For the purposes of this Act, except section 21, where property, in the first fiscal year in which it is regularly used by the operator for the first time, is used in part in connection with mining operation and in part for another purpose, the capital cost of the property for the first fiscal year and any subsequent fiscal year is deemed to be equal to the amount by which the capital cost of the property, determined without reference to this section but with reference to section 9.1, where applicable, exceeds the amount that is equal to the proportion of the cost that the use of the property for another purpose is of the total use made of the property.

The first paragraph applies in respect of property acquired after 12 May 1994 and before 31 March 2010.”

(2) Subsection 1 applies to a fiscal year that begins after 30 March 2010.

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

“EXPLORATION, DEVELOPMENT, CRITICAL AND STRATEGIC MINERAL DEVELOPMENT, COMMUNITY CONSULTATIONS, ENVIRONMENTAL STUDIES AND SUSTAINABLE DEVELOPMENT CERTIFICATION ALLOWANCES”.

(2) Subsection 1 has effect from 26 March 2021.

**40.** (1) The Act is amended by inserting the following subdivision after section 16.13:

“§3.0.1. — *Critical and strategic mineral development allowance*

“**16.13.0.1.** The amount that an eligible operator may deduct as a critical and strategic mineral development allowance, under subparagraph g.1 of subparagraph 2 of the second paragraph of section 8, in computing its annual profit for a fiscal year that ends after 25 March 2021, must not exceed the lesser of

(1) its cumulative critical and strategic mineral development expenses at the end of the fiscal year; and

(2) the balance of its critical and strategic mineral development expense limit at the end of the fiscal year.

“**16.13.0.2.** The cumulative critical and strategic mineral development expenses of an eligible operator, at any time (in this section referred to as “that time”), are the amount determined by the formula

$A - B$ .

In the formula in the first paragraph,

(1) A is the aggregate of

(a) subject to sections 16.14 to 16.17, the aggregate of all amounts each of which is expenses described in section 16.13.0.3 and incurred by the operator after 25 March 2021 and before that time, and

(b) the aggregate of all amounts each of which is an amount repaid by the operator before that time pursuant to a legal obligation to repay, in whole or in part, government assistance relating to an amount referred to in subparagraph a; and

(2) B is the aggregate of

(a) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit for a fiscal year that ends after 25 March 2021 and before that time, as a critical and strategic mineral development allowance under subparagraph *g.1* of subparagraph 2 of the second paragraph of section 8, and

(b) the aggregate of all amounts each of which is an amount of government assistance relating to an amount referred to in subparagraph *a* of subparagraph 1, that the operator received or was entitled to receive before that time.

**“16.13.0.3.** The expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.0.2 are, subject to the third paragraph, the expenses that are incurred in the period described in the second paragraph by an eligible operator with a person with whom it is dealing at arm’s length, within the meaning of the Taxation Act (chapter I-3), and that are expenses mainly attributable to one or more minerals specified in the fourth paragraph and relating to

(1) bulk sampling, the purpose of which is to determine the tenor, perform grinding tests and determine whether a separation process achieves minimum concentrations, in order to determine the optimal processing method for the mineral substance;

(2) the analysis of the stability and mechanical properties of the ore and host rock;

(3) tests on ore dilution;

(4) metallurgical grinding tests on core or bulk samples to determine the quality of the ore or the recovery rate;

(5) the carrying out of process studies, that is, detailed separation process flow sheets and implementation schedules to bring the ore to marketable product stage;

(6) the carrying out of studies to determine the type of ore to be processed, the type of process to be used and the economic potential of the finished product; or

(7) tests regarding hydrometallurgical and pyrometallurgical processes for the purpose of developing value-added products related to the ore.

The period to which the first paragraph refers is the period that begins immediately after the preliminary sampling and ends immediately before the time when it may reasonably be considered that the decision to bring a new mine for the mineral substance into production in reasonable commercial quantities has been made.

The critical and strategic mineral development expenses do not include

(1) expenses relating to an old mine that has previously reached the reasonable commercial quantity production stage, that has been abandoned or that is in maintenance; or

(2) expenses referred to in subparagraph *a* of paragraph 1 of section 16.9.

The minerals to which the first paragraph refers are antimony, bismuth, cadmium, cesium, cobalt, copper, gallium, indium, lithium, magnesium, natural graphite, nickel, niobium, platinum group elements, rare earth elements, scandium, tantalum, tellurium, tin, titanium, vanadium and zinc.

**“16.13.0.4.** The balance of an eligible operator’s critical and strategic mineral development expense limit, at a particular time, is equal to the amount by which \$31,250,000 exceeds the aggregate of

(1) the aggregate of all amounts each of which is an amount deducted by the operator in computing its annual profit, for a fiscal year that ends before the particular time, as a critical and strategic mineral development allowance under subparagraph *g.1* of subparagraph 2 of the second paragraph of section 8; and

(2) the aggregate of all amounts each of which is an amount of government assistance relating to the operator’s critical and strategic mineral development expenses that the operator received or was entitled to receive before the particular time and after 25 March 2021 and that was not repaid by the operator at or before that time.”

(2) Subsection 1 has effect from 26 March 2021.

**41.** (1) Section 16.13.6 of the Act is amended by replacing subparagraph *a* of subparagraph 1 of the second paragraph by the following subparagraph:

“(a) subject to sections 16.14 and 16.15, the aggregate of all amounts each of which is expenses incurred by the operator after 21 March 2019 and before 1 January 2022, to the extent that they are required by the body responsible for certification in relation to the sustainable development standard of the mineral exploration industry, developed by the UQAT-UQAM Chair in Mining Entrepreneurship, to obtain or maintain such certification, and”.

(2) Subsection 1 applies in respect of computing the cumulative sustainable development certification expenses at any time after 31 December 2021.

**42.** (1) Section 16.14 of the Act is replaced by the following section:

**“16.14.** An operator may include expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13, 16.13.0.2, 16.13.2, 16.13.4 and 16.13.6 in computing its cumulative exploration

expenses, cumulative pre-production development expenses, cumulative post-production development expenses, critical and strategic mineral development expenses, cumulative community consultation expenses, cumulative environmental studies expenses or cumulative sustainable development certification expenses, as the case may be, for a fiscal year only if the operator reports them to the Minister on or before the date on or before which it is required to file a return, in accordance with section 36, for the fiscal year following the one in which the expenses were incurred.”

(2) Subsection 1 has effect from 26 March 2021.

**43.** (1) Section 16.15 of the Act is amended by replacing the portion before paragraph 1 by the following:

“**16.15.** An amount referred to in subparagraph *a* of subparagraph 1 of the second paragraph of any of sections 16.9, 16.11, 16.13, 16.13.0.2, 16.13.2, 16.13.4 and 16.13.6 does not include an amount that is”.

(2) Subsection 1 has effect from 26 March 2021.

**44.** (1) Section 16.16 of the Act is amended by replacing “16.11 and 16.13” in the first paragraph by “16.11, 16.13 and 16.13.0.2”.

(2) Subsection 1 has effect from 26 March 2021.

**45.** (1) Section 16.17 of the Act is amended by replacing “16.11 and 16.13,” in the first paragraph by “16.11, 16.13 and 16.13.0.2”.

(2) Subsection 1 has effect from 26 March 2021.

**46.** (1) Section 32 of the Act is amended by inserting the following subparagraph after subparagraph ii of subparagraph *b* of subparagraph 4 of the first paragraph:

“ii.1. the amount of the expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.0.2 that were incurred by the operator for the fiscal year, without exceeding the amount deducted by the operator for the fiscal year under subparagraph *g*.1 of subparagraph 2 of the second paragraph of section 8,”.

(2) Subsection 1 has effect from 26 March 2021.

**47.** (1) Section 35.3 of the Act is amended by inserting the following paragraph after paragraph 12:

“(12.1) each of the amounts incurred before the amalgamation by a predecessor legal person in respect of expenses referred to in subparagraph *a* of subparagraph 1 of the second paragraph of section 16.13.0.2, or allowed the

predecessor legal person as a deduction in computing its annual profit under subparagraph *g.1* of subparagraph 2 of the second paragraph of section 8, is deemed to be an amount so incurred by the new legal person or an amount so allowed the new legal person as a deduction;”.

(2) Subsection 1 has effect from 26 March 2021.

## TAXATION ACT

**48.** (1) Section 1 of the Taxation Act (chapter I-3), amended by section 15 of chapter 14 of the statutes of 2021 and by section 12 of chapter 18 of the statutes of 2021, is again amended

(1) by replacing subparagraph *i* of paragraph *b* of the definition of “derivative forward agreement” by the following subparagraph:

“*i.* revenue, income or cash flow in respect of the property over the term of the agreement, changes in the fair market value of the property over the term of the agreement, or any similar criteria in respect of the property unless

(1) the property is a Canadian security, within the meaning of section 250.2, or an interest in a partnership the fair market value of which is derived, in whole or in part, from a Canadian security,

(2) the agreement is an agreement to acquire property from a tax-indifferent investor or a financial institution, within the meaning of section 851.22.1, and

(3) it can reasonably be considered that one of the main purposes of the series of transactions or events, or of a transaction or event in the series, of which the agreement is part is for all or any portion of the capital gain on a disposition (other than a disposition by the seller to the taxpayer under the agreement) of a Canadian security referred to in subparagraph 1—as part of the same series of transactions or events—to be attributable to amounts paid or payable on the Canadian security by the issuer of the Canadian security during the term of the agreement as interest, dividends or income of a trust other than income paid out of the taxable capital gains of the trust;”;

(2) by replacing paragraph *b* of the definition of “tax-indifferent investor” by the following paragraph:

“(b) a person not resident in Canada, other than a person to which all amounts paid or credited under a derivative forward agreement, a synthetic equity arrangement or a specified synthetic equity arrangement may reasonably be attributed to the business carried on by the person in Canada through an establishment;”;



(3) by replacing paragraphs *c* and *d* of the definition of “zero-emission vehicle” by the following paragraphs:

“(c) is not a vehicle in respect of which

- i. the taxpayer has, at a particular time, made a prescribed election, or
- ii. an amount of assistance has been paid by the Government of Canada under a prescribed program;

“(d) if the vehicle was acquired before 2 March 2020,

- i. has neither been used, nor acquired for use, for any purpose before it was acquired by the taxpayer, and
- ii. is not a vehicle in respect of which an amount has been deducted by another person or partnership under paragraph *a* of section 130 or the second paragraph of section 130.1; and”;

(4) by adding the following paragraph at the end of the definition of “zero-emission vehicle”:

“(e) would be an accelerated investment incentive property if the definition of that expression in the first paragraph of section 130R3 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) were read without its exclusion for property included in Class 54 or 55 of Schedule B to that Regulation.”

(2) Paragraphs 1 and 2 of subsection 1 have effect from 19 March 2019. However, paragraph 1 of that subsection does not apply before 1 January 2020 in respect of

(1) an agreement that is entered into after the final settlement of another derivative forward agreement (in this subsection and subsection 3 referred to as the “prior agreement”) if

(a) having regard to the source of the funds used to purchase the property to be sold under the agreement, it is reasonable to conclude that the agreement is a continuation of the prior agreement;

(b) the terms of the agreement and the prior agreement are substantially similar;

(c) the final settlement date under the agreement is before 1 January 2020;

(d) paragraph 1 of subsection 1 does not apply in respect of the prior agreement; and

(e) the notional amount of the agreement is at all times (each of which is referred to in subsection 3 as the “particular time”) less than or equal to the amount determined by the formula

$(A + B + C + D + E) - (F + G)$ ; and

(2) an agreement that is entered into before 19 March 2019, unless at a particular time after 18 March 2019, the notional amount of the agreement exceeds the amount determined by the formula

$(H + I + J + K + L + M) - (N + O)$ .

(3) In the formula in subparagraph *e* of paragraph 1 of subsection 2,

(1) A is the notional amount of the agreement when it is entered into;

(2) B is the aggregate of all amounts each of which is an increase in the notional amount of the agreement, at or before the particular time, that is attributable to the underlying interest;

(3) C is the amount of the taxpayer's cash on hand immediately before 19 March 2019 that was committed, before that date, to be invested under the agreement;

(4) D is the aggregate of all amounts each of which is an increase, at or before the particular time, in the notional amount of the agreement that is attributable to the final settlement of another derivative forward agreement if paragraph 1 of subsection 1 does not apply to the other agreement;

(5) E is the lesser of

(a) either

i. if the prior agreement was entered into before 19 March 2019, the amount, if any, by which the amount determined under subparagraph *i* of paragraph *f* of subsection 4 in respect of the prior agreement immediately before it was finally settled exceeds the aggregate determined under subparagraph *ii* of paragraph *f* of subsection 4 in respect of the prior agreement immediately before it was finally settled; or

ii. in any other case, the amount, if any, by which the amount determined under this subparagraph *a* in respect of the prior agreement immediately before it was finally settled exceeds the aggregate determined under subparagraph *b* in respect of the prior agreement immediately before it was finally settled; and

(b) the aggregate of all amounts each of which is an increase in the notional amount of the agreement before 1 January 2020 that is not otherwise described in this subsection;

(6) F is the aggregate of all amounts each of which is a decrease in the notional amount of the agreement, at or before the particular time, that is attributable to the underlying interest; and

(7) G is the aggregate of all amounts each of which is the amount of a partial settlement of the agreement, at or before the particular time, to the extent that it is not reinvested in the agreement.

(4) In the formula in paragraph 2 of subsection 2,

(a) H is the notional amount of the agreement immediately before 19 March 2019;

(b) I is the aggregate of all amounts each of which is an increase in the notional amount of the agreement, after 18 March 2019 and at or before the particular time, that is attributable to the underlying interest;

(c) J is the amount of the taxpayer's cash on hand immediately before 19 March 2019 that was committed, before that date, to be invested under the agreement;

(d) K is the amount, if any, of an increase, after 18 March 2019 and at or before the particular time, in the notional amount of the agreement as a consequence of the exercise of an over-allotment option granted before 19 March 2019;

(e) L is the aggregate of all amounts each of which is an increase, after 18 March 2019 and at or before the particular time, in the notional amount of the agreement that is attributable to the final settlement of another derivative forward agreement if paragraph 1 of subsection 1 does not apply to the other agreement;

(f) M is the lesser of

i. 5% of the notional amount of the agreement immediately before 19 March 2019; and

ii. the aggregate of all amounts each of which is an increase in the notional amount of the agreement after 18 March 2019 and before 1 January 2020 that is not otherwise described in this subsection;

(g) N is the aggregate of all amounts each of which is a decrease in the notional amount of the agreement, after 18 March 2019 and at or before the particular time, that is attributable to the underlying interest; and

(h) O is the aggregate of all amounts each of which is the amount of a partial settlement of the agreement, after 18 March 2019 and at or before the particular time, to the extent that it is not reinvested in the agreement.

(5) For the purposes of subsections 2 to 4, the notional amount of a derivative forward agreement at a particular time is the fair market value at that time of the property that would be acquired under the agreement if the agreement were the subject of a final settlement at that time.

(6) Paragraphs 3 and 4 of subsection 1 have effect from 2 March 2020.

**49.** Section 41.0.1 of the Act is amended by adding the following paragraph at the end:

“The condition in subparagraph 2 of subparagraph i of subparagraph *a* of the second paragraph is deemed to be met for an individual’s 2020 or 2021 taxation year, in respect of an employer, if the conditions in subparagraphs 1 and 2 of that subparagraph i are met for the individual’s 2019 taxation year in respect of an automobile made available to the individual, or to a person related to the individual, by that employer.”

**50.** Section 41.1.1 of the Act is amended by adding the following paragraph at the end:

“For the purposes of this section in respect of an automobile provided by the payor in 2020 or 2021 (in this paragraph referred to as the “relevant year”), where an individual has met the condition in subparagraph i of subparagraph *a* of the second paragraph for the 2019 taxation year in respect of the use of an automobile made available to the individual, or to a person related to the individual, by the payor, the amount represented by *A* in the formula in the first paragraph in respect of the automobile for the relevant year is deemed to be equal to the lesser of

(*a*) one-half of the reasonable amount that corresponds to the value of the right of use determined in respect of the automobile under sections 41 to 41.0.2 for the relevant year; and

(*b*) the amount determined in respect of the automobile under subparagraph ii of subparagraph *a* of the second paragraph for the relevant year.”

**51.** (1) Section 83.0.6 of the Act is repealed.

(2) Subsection 1 applies from 1 January 2024.

**52.** (1) Section 85.3.0.1 of the Act, enacted by section 25 of chapter 14 of the statutes of 2021, is repealed.

(2) Subsection 1 applies from 1 January 2024.

**53.** (1) Section 99.2 of the Act, enacted by section 24 of chapter 18 of the statutes of 2021, is amended

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

“ii. in any other case, the amount determined under subparagraph *c*; and”;

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

“(c) C is the amount determined by the formula

$D + (E + F) - (G + H)$ .”;

(3) by adding the following paragraph at the end:

“In the formula in subparagraph *c* of the second paragraph,

(a) D is the cost to the taxpayer of the vehicle;

(b) E is the amount of repaid assistance referred to in the portion of section 101 before paragraph *a* and determined in respect of the vehicle at the time of the disposition;

(c) F is the maximum amount determined under subparagraph ii.1 of subparagraph *e* of the first paragraph of section 93 in respect of the vehicle;

(d) G is the amount of assistance referred to in paragraph *b* of section 101 and determined in respect of the vehicle at the time of the disposition; and

(e) H is the maximum amount determined under subparagraph *g* of the second paragraph of section 93 in respect of the vehicle.”

(2) Subsection 1 applies in respect of a disposition that occurs after 29 July 2019.

**54.** (1) The Act is amended by inserting the following sections after section 127.16:

**“127.16.1.** For the purposes of this division in respect of a pertinent loan or indebtedness, within the meaning of subparagraph ii of subparagraph *a* of the second paragraph of section 127.16, the following rules apply:

(a) any transaction entered into, or event participated in, by a partnership is deemed to have been entered into, or participated in, as the case may be, by each member of the partnership in the proportion that the fair market value, at the time of the transaction or event, of the member’s interest—held directly or indirectly through one or more other partnerships—in the partnership is of the

fair market value, at that time, of the interests in the partnership held directly by all the members of the partnership;

(b) a property that, based on the assumptions contained in paragraph *c* of section 600, would be owned at a particular time by a partnership, is deemed to be owned at the particular time by each member of the partnership in the proportion that the fair market value, at the particular time, of the member's interest—held directly or indirectly through one or more other partnerships—in the partnership is of the fair market value, at that time, of the interests in the partnership held directly by all the members of the partnership;

(c) where the portion of a property that is deemed under paragraph *b* to be owned by a member of a partnership increases at a particular time (with the understanding that such an increase includes that resulting from the acquisition of an interest in a partnership in which, immediately prior to the acquisition, the member did not have an interest), the member is deemed at the particular time to acquire the additional portion of the property;

(d) an amount that, based on the assumptions contained in paragraph *c* of section 600, would be owing by a partnership at a particular time is deemed to be owed by each member of the partnership in the proportion that the fair market value, at the particular time, of the member's interest—held directly or indirectly through one or more other partnerships—in the partnership is of the fair market value, at that time, of the interests in the partnership held directly by all the members of the partnership; and

(e) if a member of a partnership enters into a transaction, or participates in an event, with the partnership, paragraph *a* does not apply in respect of the transaction or event to the extent that the transaction or event would be deemed, under paragraph *a* if this section were read without reference to this paragraph, to have been entered into, or participated in, as the case may be, by the member.

**“127.16.2.** For the purposes of this division in respect of a pertinent loan or indebtedness, within the meaning of subparagraph ii of subparagraph *a* of the second paragraph of section 127.16, and for the purpose of determining, for the purposes of this division, whether two persons are related to each other and consequently, under paragraph *a* of section 18, do not deal with each other at arm's length, the following rules apply:

(a) for the purpose of determining, at any time, whether two persons are related to each other or whether any person is controlled by any other person or group of persons, the following presumptions apply:

i. each trust is deemed to be a corporation having a capital stock of a single class of voting shares divided into 100 issued shares, and

ii. each beneficiary under a trust is deemed to own at that time a number of issued shares of that class of shares equal to the proportion of 100 that the fair market value at that time of the beneficiary's interest in the trust is of the fair market value at that time of all beneficiaries' interests in the trust;

(b) for the purpose of determining, at any time, the extent to which any person owns shares of the capital stock of a corporation, if at that time a trust resident in Canada owns, but for this subparagraph, shares of the capital stock of the corporation, each beneficiary of the trust is deemed to own, and the trust is deemed not to own, at that time, the shares of each class of the capital stock of the corporation that are owned, but for this subparagraph, by the trust, the number of which is equal to the proportion of the total number of shares of the class of the capital stock of the corporation that are owned, but for this subparagraph, by the trust at that time that the fair market value, at that time, of the beneficiary's interest in the trust is of the fair market value, at that time, of all beneficiaries' interests in the trust; and

(c) where a beneficiary's share of the income or capital of a trust depends on the exercise by any person of, or the failure by any person to exercise, a power to appoint, the proportion to which subparagraph ii of subparagraph *a* and subparagraph *b* refer is deemed to be equal to 1, unless

i. the trust is resident in Canada, and

ii. it cannot reasonably be considered that one of the main purposes of the power to appoint is to avoid or limit the application of paragraph *c.3* of subsection 1 of section 128.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) or of subsection 2 of sections 212.3 and 219.1 of that Act.”

(2) Subsection 1 applies in respect of a transaction or event that occurs after 18 March 2019.

**55.** (1) Section 127.18 of the Act is replaced by the following section:

**“127.18.** No amount is to be included under section 127.17 in computing the income of a Canadian corporation in respect of a pertinent loan or indebtedness, within the meaning of subparagraph ii of subparagraph *a* of the second paragraph of section 127.16, for the 180-day period that begins at any time a parent or group of parents referred to in section 212.3 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) acquires control of the Canadian corporation, if the Canadian corporation was not controlled by a person not resident in Canada, or a group of persons not resident in Canada and not dealing with each other at arm's length, immediately before that time.”

(2) Subsection 1 applies in respect of a transaction or event that occurs after 18 March 2019.

**56.** (1) Section 187 of the Act is replaced by the following section:

“**187.** For the purposes of section 186, any property that would have been included in the inventory of a business if the income from it had not been computed in accordance with the method authorized by section 194 or by section 215, as it read before being repealed, is deemed to have been so included.”

(2) Subsection 1 applies from 1 January 2024.

**57.** (1) Division VIII of Chapter V of Title III of Book III of Part I of the Act, comprising sections 215 and 216, is repealed.

(2) Subsection 1 applies from 1 January 2024.

**58.** (1) Section 284 of the Act is replaced by the following section:

“**284.** For the purposes of this Title and sections 93 to 104, where a taxpayer makes a valid election under subsection 2 of section 45 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for a particular taxation year in relation to a change in use of any property of the taxpayer, the following rules apply:

(a) where, in respect of that change in use, either section 281, because the property begins to be used to gain income, or paragraph *b* of section 99 would otherwise apply for the particular year, the taxpayer is deemed not to have begun to use the property to gain income; and

(b) where, in respect of that change in use, either section 283, because the proportion of the use made of the property for a purpose other than gaining income decreased, or subparagraph *i* of paragraph *d* of section 99 would otherwise apply for the particular year, the taxpayer is deemed not to have increased the use regularly made of the property to gain income relative to the use regularly made of the property for some other purpose.

However, where the taxpayer rescinds, in accordance with paragraph *c* of subsection 2 of section 45 of the Income Tax Act, the election that the taxpayer made under that subsection 2 in relation to the change in use of the property for the particular year, the following rules apply:

(a) where subparagraph *a* of the first paragraph applied to the taxpayer in respect of the property, the taxpayer is deemed, on the first day of the subsequent taxation year referred to in that paragraph *c*, to have begun to use the property to gain income; and

(b) where subparagraph *b* of the first paragraph applied to the taxpayer in respect of the property, the taxpayer is deemed, on the first day of the subsequent taxation year referred to in that paragraph *c*, to have increased the use regularly made of the property to gain income by what would have been the increase in use for the particular year if the election had not been made.



Chapter V.2 of Title II of Book I applies in relation to an election made or rescinded under subsection 2 of section 45 of the Income Tax Act.”

(2) Subsection 1 applies in respect of a change in use of a property that occurs after 18 March 2019.

**59.** (1) Section 286.1 of the Act is replaced by the following section:

**“286.1.** Where, at any time, a property that was acquired by a taxpayer for the purpose of gaining income, or that was acquired in part for that purpose, ceases in whole or in part to be used for that purpose and becomes, or becomes part of, the taxpayer’s principal residence, sections 281 and 283 do not apply to deem the taxpayer to have disposed of the property at that time and to have reacquired it immediately after that time, if the taxpayer makes a valid election under subsection 3 of section 45 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in relation to the change in use of the property.

Chapter V.2 of Title II of Book I applies in relation to an election made under subsection 3 of section 45 of the Income Tax Act.”

(2) Subsection 1 applies in respect of a change in use of a property that occurs after 18 March 2019.

**60.** (1) Section 311 of the Act is amended

(1) by replacing paragraph *e.5* by the following paragraph:

“(e.5) financial assistance, other than an amount attributable to child care expenses or an amount referred to in paragraph *e.5.1*, under a program established by a government or government agency in Canada that provides income replacement benefits similar to income replacement benefits provided under a program established under the Employment Insurance Act;”;

(2) by inserting the following paragraph after paragraph *e.5*:

“(e.5.1) financial assistance under

i. the Canada Emergency Response Benefit Act (Statutes of Canada, 2020, chapter 5, section 8),

ii. Part VIII.4 of the Employment Insurance Act,

iii. the Canada Emergency Student Benefit Act (Statutes of Canada, 2020, chapter 7),

iv. the Canada Recovery Benefits Act (Statutes of Canada, 2020, chapter 12, section 2), or

v. a program established by a government or government agency of a province that provides income replacement benefits similar to income replacement benefits provided under a program established under one of the Acts referred to in subparagraphs i to iv;”.

(2) Subsection 1 has effect from 1 January 2020.

**61.** (1) Section 336 of the Act, amended by section 35 of chapter 18 of the statutes of 2021, is again amended by inserting the following paragraph after paragraph *d.1.0.1*:

“(d.1.0.2) any amount paid by the taxpayer, before 1 January 2023, as repayment of financial assistance received under the Programme incitatif pour la rétention des travailleurs essentiels referred to in Order in Council 456-2020 (2020, G.O. 2, 2099, French only), to the extent that the financial assistance was included in computing the taxpayer’s income for the year under paragraph *e.2* of section 311, or as repayment of a benefit, to the extent that the amount of the benefit was included in computing the taxpayer’s income for the year under any of subparagraphs i to iv of paragraph *e.5.1* of section 311, except to the extent that the amount is

i. deducted in computing the taxpayer’s income for any year under paragraph *d*, or

ii. deductible in computing the taxpayer’s income for any year under paragraph *d.1.0.1*;”.

(2) Subsection 1 has effect from 1 January 2020.

**62.** (1) The Act is amended by inserting the following section after section 358.0.1:

**“358.0.1.1.** For the purpose of applying this chapter to an individual for the taxation year 2020 or 2021, section 358.0.1 is to be read

(a) as if “*c*, *c.1* and” were inserted after “under any of paragraphs” in subparagraph iii of subparagraph *b* of the first paragraph; and

(b) without reference to subparagraph i of subparagraph *a* of the second paragraph if, at any time in the year, the individual was entitled to an amount referred to in any of paragraphs *c*, *c.1* and *e.2* to *e.6* of section 311, in respect of that year.”

(2) Subsection 1 has effect from 1 January 2020.

**63.** The Act is amended by inserting the following section after section 359.2:

**“359.2.0.1.** For the purpose of applying sections 359.2 and 359.4 in respect of an agreement entered into after 28 February 2018 and before 1 January 2021, the first paragraph of those sections is to be read as if “24 months” were replaced by “36 months”.”

**64.** Section 359.8.1 of the Act is amended by adding the following paragraph at the end:

“The first paragraph does not apply in respect of an agreement entered into after 31 December 2018 and before 1 January 2021.”

**65.** The Act is amended by inserting the following section after section 359.15:

**“359.15.1.** For the purpose of applying section 359.15 in respect of an agreement entered into after 31 December 2018 and before 1 January 2021 by a corporation for the issue of a flow-through share of the corporation, the first paragraph of that section is to be read as if “at the end of the calendar year” in subparagraph 2 of subparagraph ii of subparagraph *a* were replaced by “at the end of the calendar year that follows that in which the purported renunciation was made” and as if “before 1 March of the calendar year” in subparagraph ii of subparagraph *c* were replaced by “before 1 March of the second calendar year”.”

**66.** (1) Section 393.1 of the Act, amended by section 37 of chapter 18 of the statutes of 2021, is again amended

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

“(b) subparagraphs *c* and *d* of the first paragraph of section 413;”;

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

“(f) subparagraphs *b* and *c* of the first paragraph of section 418.7;”.

(2) Subsection 1 applies to a taxation year that ends after 30 July 2019.

**67.** Section 503.0.1 of the Act is replaced by the following section:

**“503.0.1.** Where a corporation has made an election under any of sections 502, 1106, 1113 and 1116 in respect of the total amount of a dividend payable by the corporation at a particular time and has later made a valid election under subsection 3 of section 184 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in respect of that dividend, the rules arising from the election and specified in the second paragraph also apply, with the necessary modifications, to this Act and the corporation having made the latter election shall, upon or before making the election, inform the Minister in a manner satisfactory to the Minister and send to the Minister proof of the election and a true copy of the documents sent to the Minister of National Revenue in support of the election.

The rules to which the first paragraph refers are those determined under subsections 3 and 4 of section 184 of the Income Tax Act.

Despite sections 1010 to 1011, the Minister shall make such assessments of tax, interest and penalties as are necessary in respect of a shareholder of the corporation for a taxation year to take into account the application of the rules specified in the second paragraph.”

**68.** (1) Section 517.5.5 of the Act is amended

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

“(a) the lesser of the amount of that excess amount and the amount that would be determined in respect of the disposition of those shares under paragraph *b* of subsection 1 of section 84.1 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) if that section were read without reference to paragraph *e* of its subsection 2 (in this section referred to as the “deemed dividend amount”) is deemed to be a capital gain from the disposition of those shares, to the extent of the amount the individual designates to that effect in the individual’s fiscal return filed under this Part (in this section referred to as the “designated capital gain”) for the year of disposition, without, however, exceeding the amount (in this section referred to as the “particular amount”) determined in accordance with the second paragraph, and, despite any other provision of this Act;”;

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

“The particular amount to which the first paragraph refers is equal to twice the least of the amounts that would be determined in respect of the individual for the year either, where subsection 1 of section 84.1 of the Income Tax Act does not apply in respect of the disposition of shares because of paragraph *e* of subsection 2 of that section, under subparagraphs *a* to *e* of the first paragraph of section 726.7 or 726.7.1, as the case may be, or, where subsection 1 of that section 84.1 applies in respect of the disposition of shares, under subparagraphs *a* to *d* of the first paragraph of section 726.7 or 726.7.1, as the case may be, if the deemed dividend amount were a capital gain realized by the individual in the year from the disposition of eligible shares and if subparagraph 1 of subparagraph *ii* of subparagraph *a* of the first paragraph were not taken into account.”

(2) Subsection 1 applies in respect of the disposition of a share that occurs after 28 June 2021.

**69.** Section 620 of the Act is amended by replacing the second paragraph by the following paragraph:

“The rules referred to in the first paragraph apply only if each of those persons has in each such property, immediately after that time, an undivided right equal,

when expressed as a percentage, to the person's undivided right, when so expressed, in each other property of the partnership and if all those persons make a valid election for the purposes of subsection 3 of section 98 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in respect of the property.”

**70.** (1) Section 726.7 of the Act is amended by replacing the fifth paragraph by the following paragraph:

“For the purposes of subparagraph *e* of the first paragraph, where section 517.5.5 applies in respect of the disposition in a taxation year of eligible shares of an individual that are described in paragraph *a* of the definition of that expression in the first paragraph of section 517.5.3 and where subsection 1 of section 84.1 of the Income Tax Act applies in respect of the disposition, the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28 if those shares were the only properties referred to in that paragraph *b* is deemed to have been allowed as a deduction in computing the individual's taxable income for the year for the purposes of the Income Tax Act under section 110.6 of that Act in respect of qualified farm or fishing properties.”

(2) Subsection 1 applies in respect of the disposition of a property that occurs after 28 June 2021.

**71.** (1) Section 726.7.1 of the Act is amended by replacing the second paragraph by the following paragraph:

“For the purposes of subparagraph *e* of the first paragraph, where section 517.5.5 applies in respect of the disposition in a taxation year of eligible shares of an individual that are described in paragraph *b* of the definition of that expression in the first paragraph of section 517.5.3 and where subsection 1 of section 84.1 of the Income Tax Act applies in respect of the disposition, the amount that would be determined in respect of the individual for the year under paragraph *b* of section 28 if those shares were the only properties referred to in that paragraph *b* is deemed to have been allowed as a deduction in computing the individual's taxable income for the year for the purposes of the Income Tax Act under section 110.6 of that Act in respect of qualified small business corporation shares.”

(2) Subsection 1 applies in respect of the disposition of a share that occurs after 28 June 2021.

**72.** (1) Section 737.18.17.1 of the Act is amended

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

““date of the end of the start-up period” of a large investment project of a corporation or partnership means the date that is specified as such either in the

first certificate in relation to the large investment project or in the qualification certificate issued to the corporation or partnership, in relation to the project, where it acquired all or substantially all of the recognized business in relation to the project and where the Minister of Finance authorized the transfer of the carrying out of the project to the corporation or partnership, according to the qualification certificate;”;

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

“For the purpose of applying the definition of “total qualified capital investments” in the first paragraph in respect of a corporation or a partnership in relation to a large investment project that concerns the digital transformation of a business of the corporation or partnership, the expenditures of a capital nature referred to in that definition include only those that are incurred either to acquire digital equipment, software or other components of the technological infrastructure or information system or to adapt the business’s equipment to the computing solution.

For the purposes of the third paragraph, a large investment project concerns the digital transformation of a business if it consists in developing and implementing a computing solution, by integrating or upgrading an information system or a technology infrastructure, resulting in organizational changes in the business and changes to its operations.”

(2) Subsection 1 has effect from 26 March 2021.

**73.** (1) Section 737.18.17.8 of the Act is amended

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

“Subject to the second, fourth and fifth paragraphs, a corporation’s tax assistance limit in relation to a large investment project is 15% of its total qualified capital investments on the date of the end of the start-up period of the large investment project, unless the corporation acquired all or substantially all of the recognized business in relation to the project, in which case it is the amount that was transferred to the corporation pursuant to the agreement referred to in section 737.18.17.12 in respect of the acquisition.”;

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

“Where the corporation has begun to carry on the recognized business in relation to the large investment project in a taxation year that ends before the date of the end of the start-up period of the project, the corporation’s tax assistance limit in relation to the project, for any taxation year that ends before that date, is to be computed, under the first paragraph, on the date on which that year ends.

Where the corporation has acquired all or substantially all of the recognized business in relation to the large investment project before the date of the end of the start-up period of the project, the corporation's tax assistance limit in relation to the project, for any taxation year that ends on or after that date, is to be increased by an amount equal to the product obtained by multiplying by 15% the amount that would be the corporation's total qualified capital investments on the date of the end of the start-up period if the definition of "total qualified capital investments" in the first paragraph of section 737.18.17.1 were read as if "from the beginning of the carrying out of the large investment project" were replaced by "from the time the corporation or partnership acquired the recognized business in relation to the large investment project".

(2) Subsection 1 applies in relation to a large investment project in respect of which a first certificate was issued after 25 March 2021.

**74.** (1) Section 737.18.17.12 of the Act is amended

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

"A vendor's tax assistance limit in relation to a large investment project is 15% of its total qualified capital investments on the date of the end of the start-up period of the large investment project or, if it is earlier, on the day that includes the time referred to in the first paragraph, unless the vendor acquired all or substantially all of the recognized business in relation to the project following a previous transfer, in which case it is the amount, subject to the ninth paragraph, that was transferred to the vendor pursuant to the agreement referred to in this section in respect of the acquisition.";

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

"Where the previous transfer to which the second paragraph refers occurred before the date of the end of the start-up period of the large investment project concerned, the vendor's tax assistance limit in relation to the project is to be increased by an amount equal to the product obtained by multiplying by 15% the amount that would be its total qualified capital investments on the date of the end of the start-up period or, if it is earlier, on the day that includes the time referred to in the first paragraph, if the definition of "total qualified capital investments" in the first paragraph of section 737.18.17.1 were read as if "from the beginning of the carrying out of the large investment project" were replaced by "from the time the corporation or partnership acquired the recognized business in relation to the large investment project"."

(2) Subsection 1 applies in relation to a large investment project in respect of which a first certificate was issued after 25 March 2021.

**75.** (1) Section 737.18.39 of the Act, amended by section 74 of chapter 14 of the statutes of 2021, is again amended

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

“For the purposes of paragraph *a* of the definition of “qualified patented part” in the first paragraph of section 737.18.36, a corporation has made sustained innovation efforts in relation to an invention if the total of all amounts each of which is an aggregate described in the second paragraph, reduced, where applicable, as provided in section 1029.8.19.13 or 1029.8.19.13.1 and determined in relation to scientific research and experimental development work undertaken in the particular period described in the third paragraph by the corporation or by another corporation with which it is associated in the taxation year in which the work was undertaken, or on behalf of the corporation or of the other corporation, as the case may be, and in respect of which the corporation or the other corporation is deemed to have paid an amount to the Minister under any of Divisions II to II.3.0.1 of Chapter III.1 of Title III of Book IX is at least \$500,000.”;

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

“An aggregate to which the first paragraph refers in respect of a corporation for a taxation year included in the particular period described in the third paragraph is

(*a*) the aggregate of all amounts each of which is the amount of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a* to *i* of the first paragraph of section 1029.7, determined with reference to subdivisions 2, 4 and 6 of Division II.4 of Chapter III.1 of Title III of Book IX;

(*b*) the aggregate of all amounts each of which is the amount of an expenditure that is referred to in subparagraph *a* or *b* of the first paragraph of section 1029.8.6, determined with reference to subdivisions 2, 4 and 6 of Division II.4 of Chapter III.1 of Title III of Book IX;

(*c*) the aggregate of all amounts each of which is the amount of an eligible fee or eligible fee balance, within the meaning assigned to those expressions by section 1029.8.9.0.2, determined with reference to subdivisions 2, 4 and 6 of Division II.4 of Chapter III.1 of Title III of Book IX; or

(*d*) the aggregate of all amounts each of which is the amount of an expenditure that is referred to in any of subparagraphs *a* to *c* of the first paragraph of section 1029.8.16.1.4, determined with reference to subdivisions 2, 4 and 6 of Division II.4 of Chapter III.1 of Title III of Book IX.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2016. However, where section 737.18.39 of the Act applies to a taxation year that begins before 11 March 2020, the first paragraph of that section is to be read as if “or 1029.8.19.13.1” were struck out.



**76.** Section 737.19 of the Act is amended by adding the following paragraph at the end of the definition of “eligible employer” in the first paragraph:

“(c) an eligible public research centre within the meaning of paragraph *a.1* of section 1029.8.1;”.

**77.** (1) The Act is amended by inserting the following section after section 737.19.3:

**“737.19.4.** If, in a taxation year, it is impossible for an individual to carry on, exclusively or almost exclusively, scientific research and experimental development in connection with the employment the individual holds with an eligible employer, otherwise than because of the individual being absent from the individual’s employment, and if, were it not for that impossibility, the individual would be a foreign researcher for the part of the year that is included in the period during which the impossibility subsists, the Minister may, for the purposes of this Title, consider that the individual is a foreign researcher for that part of the year if the Minister is of the opinion that the impossibility is directly attributable to the measures taken to mitigate the effects of the COVID-19 pandemic.”

(2) Subsection 1 applies to a taxation year that ends after 14 March 2020.

**78.** Section 737.22.0.0.1.2 of the Act is amended by replacing the first paragraph by the following paragraph:

“If, in a taxation year, an individual is absent from an employment the individual holds with an eligible employer and, were it not for that absence, would be a foreign researcher on a postdoctoral internship for the part of the year that is included in the individual’s period of absence, the Minister may, for the purposes of this Title, consider the remuneration paid by the eligible employer to the individual for that part of the year to be included in the individual’s eligible income for the year in relation to the employment, that the eligible employer certifies in prescribed manner, if the Minister is of the opinion that the individual is temporarily absent from the employment for reasons the Minister considers reasonable.”

**79.** (1) The Act is amended by inserting the following section after section 737.22.0.0.1.2:

**“737.22.0.0.1.3.** If, in a taxation year, it is impossible for an individual to carry on, exclusively or almost exclusively, scientific research and experimental development in connection with the employment the individual holds with an eligible employer, otherwise than because of the individual being absent from the individual’s employment, and if, were it not for that impossibility, the individual would be a foreign researcher on a postdoctoral internship for the part of the year that is included in the period during which the impossibility subsists, the Minister may, for the purposes of this Title, consider that the individual is a foreign researcher on a postdoctoral internship for that part of

the year if the Minister is of the opinion that the impossibility is directly attributable to the measures taken to mitigate the effects of the COVID-19 pandemic.”

(2) Subsection 1 applies to a taxation year that ends after 14 March 2020.

**80.** (1) The Act is amended by inserting the following section after section 737.22.0.0.5.2:

**“737.22.0.0.5.3.** If, in a taxation year, it is impossible for an individual to perform duties exclusively or almost exclusively as part of a scientific research and experimental development project in relation to the employment the individual holds with an eligible employer, otherwise than because of the individual being absent from the individual’s employment, and if, were it not for that impossibility, the individual would be a foreign expert for the part of the year that is included in the period during which the impossibility subsists, the Minister may, for the purposes of this Title, consider that the individual is a foreign expert for that part of the year if the Minister is of the opinion that the impossibility is directly attributable to the measures taken to mitigate the effects of the COVID-19 pandemic.”

(2) Subsection 1 applies to a taxation year that ends after 14 March 2020.

**81.** (1) Section 752.0.18.10 of the Act, amended by section 62 of chapter 18 of the statutes of 2021, is again amended by replacing the portion of paragraph *a* before subparagraph *i* by the following:

“(a) the amount obtained by multiplying 8% by the amount by which the amount determined for the year under subparagraph *a* of the first paragraph of section 752.0.18.13.1 is exceeded by the aggregate of”.

(2) Subsection 1 has effect from 1 January 2019.

**82.** (1) The Act is amended by inserting the following section after section 752.0.18.11:

**“752.0.18.11.1.** For the purpose of applying section 752.0.18.10 in respect of an individual, the total amount of the tuition fees and examination fees that are referred to in subparagraphs *i* to *iv* of paragraph *a* of that section and paid in respect of a taxation year is to be reduced by the amount that is deemed to have been paid by the individual under subsection 1 of section 122.91 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) for that year.”

(2) Subsection 1 has effect from 1 January 2019.

**83.** (1) Section 767 of the Act, amended by section 89 of chapter 14 of the statutes of 2021, is again amended, in subparagraph *a* of the first paragraph,

(1) by replacing subparagraph iv by the following subparagraph:

“iv. 4.6115/15, for the taxation year 2021, and”;

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

“v. 3.933/15, for a taxation year subsequent to the taxation year 2021; and”.

(2) Subsection 1 applies in respect of a dividend received or deemed to be received after 31 December 2021.

**84.** (1) Section 771.0.2.4 of the Act is amended, in subparagraph i of subparagraph *c* of the first paragraph,

(1) by replacing subparagraph 5 by the following subparagraph:

“(5) the proportion of 7.5% that the number of days in the taxation year that follow 31 December 2020 but precede 26 March 2021 is of the number of days in the taxation year, and”;

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

“(6) the proportion of 8.3% that the number of days in the taxation year that follow 25 March 2021 is of the number of days in the taxation year, or”.

(2) Subsection 1 applies to a taxation year that ends after 25 March 2021. 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 that section 1027, 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 that section 1027 for a taxation year that ends after 25 March 2021, 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 must, in respect of a payment that the corporation is required to make before 26 March 2021, be determined without reference to this section.

**85.** (1) Section 771.0.2.6 of the Act is amended

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

“iv. the proportion of 7.5% that the number of days in the taxation year that follow 31 December 2019 but precede 26 March 2021 is of the number of days in the taxation year, and”;

(2) by adding the following subparagraph at the end of subparagraph *a* of the first paragraph:

“v. the proportion of 8.3% that the number of days in the taxation year that follow 25 March 2021 is of the number of days in the taxation year; and”;

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

“v. the proportion of 7.5% that the number of days in the taxation year that follow 31 December 2020 but precede 26 March 2021 is of the number of days in the taxation year, and”;

(4) by adding the following subparagraph at the end of subparagraph *c* of the second paragraph:

“vi. the proportion of 8.3% that the number of days in the taxation year that follow 25 March 2021 is of the number of days in the taxation year;”.

(2) Subsection 1 applies to a taxation year that ends after 25 March 2021. 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 that section 1027, 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 that section 1027 for a taxation year that ends after 25 March 2021, 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 must, in respect of a payment that the corporation is required to make before 26 March 2021, be determined without reference to this section.

**86.** (1) Section 776.1.5.0.10.1 of the Act is amended, in the first paragraph,

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

“(g) a period that begins on 1 March of a year after 2017 and before 2021 and ends on the last day of the month of February of the following year; or”;

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

“(h) a period that begins on 1 March of a year after 2020 and ends on the last day of the month of February of the following year.”

(2) Subsection 1 has effect from 1 March 2021.

**87.** (1) Section 776.1.5.0.11 of the Act is amended

(1) by adding the following subparagraph at the end of the second paragraph:

“(e) 30%, if the acquisition period referred to in that paragraph is described in subparagraph *h* of the first paragraph of section 776.1.5.0.10.1.”;

(2) by replacing “*d* to *g*” in subparagraph *c* of the third paragraph by “*d* to *h*”.

(2) Subsection 1 has effect from 1 March 2021.

**88.** (1) Section 776.1.5.0.15.1 of the Act is amended by replacing “2021” in the definition of “conversion period” by “2023”.

(2) Subsection 1 has effect from 1 March 2021.

**89.** Section 885 of the Act is amended by replacing “iv” and “French” by “vi” and “English”, respectively.

**90.** (1) Section 905.0.3 of the Act, amended by section 71 of chapter 18 of the statutes of 2021, is again amended by replacing paragraph *c* of the definition of “disability savings plan” in the first paragraph by the following paragraph:

“(c) that is entered into in a taxation year in respect of which

i. the beneficiary is an individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions, or

ii. the beneficiary is not an individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions and an amount is to be transferred from a registered disability savings plan of the beneficiary to the arrangement in accordance with section 905.0.16;”.

(2) Subsection 1 has effect from 1 January 2021.

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

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

“i. the beneficiary is not an individual eligible for the tax credit for severe and prolonged impairment in mental or physical functions for the taxation year that includes that time, unless the contribution is a specified RDSP payment within the meaning of subsection 1 of section 60.02 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement) in respect of the beneficiary, or”;

(2) 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 and the conditions of subparagraphs 1 and 2 of subparagraph *ii* of subparagraph *p* are not met in the year, 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”;

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

“*ii.* the first calendar year in respect of which the following conditions are met:

(1) in the year, the holder of the plan has requested that the issuer terminate the plan, and

(2) throughout the year, 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.”;

(4) by inserting the following paragraph after the second paragraph:

“Where, at a particular time after 18 March 2019 and before 1 January 2021, a registered disability savings plan would otherwise be required to be terminated because of subparagraph *ii* of subparagraph *p* of the first paragraph, as it read at that time, or any terms of the plan provided because of that subparagraph *ii*, then despite that subparagraph *ii* or those terms, the plan is not required to be terminated before 1 January 2021, if

(*a*) the beneficiary of 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; or

(*b*) a valid election was made under subsection 4.1 of section 146.4 of the Income Tax Act, as it read immediately before 1 January 2021, and the election ceases to be valid after 18 March 2019 and before 1 January 2021 because of paragraph *b* of subsection 4.2 of section 146.4 of that Act, as it read immediately before 1 January 2021.”;

(5) by replacing the third paragraph by the following 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 to which subparagraph *b* of the third paragraph refers.”;

(6) by striking out the fourth paragraph.

(2) Paragraphs 1 to 3 and 6 of subsection 1 have effect from 1 January 2021.

(3) Paragraphs 4 and 5 of subsection 1 have effect from 19 March 2019.

**92.** (1) Section 965.0.7 of the Act is amended

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

“(c) the amount is transferred directly to another registered pension plan to be held in connection with a defined benefit provision of the other plan, unless the amount is transferred to an individual pension plan and the transfer is in respect of benefits that are attributable to employment with a former employer that is not a participating employer or its predecessor employer, and”;

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

“For the purposes of subparagraph *c* of the first paragraph,

“individual pension plan” has the meaning assigned by subsection 1 of section 8300 of the Income Tax Regulations made under the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

“participating employer” has the meaning assigned by subsection 1 of section 147.1 of the Income Tax Act;

“predecessor employer” has the meaning assigned by subsection 1 of section 8500 of the Income Tax Regulations made under the Income Tax Act.”

(2) Subsection 1 has effect from 19 March 2019.

**93.** (1) Section 985.1 of the Act, amended by section 76 of chapter 18 of the statutes of 2021, is again amended

(1) by inserting the following paragraph after paragraph *b.1*:

“(b.1.1) “listed terrorist entity”, at a particular time, means a person, partnership, group or fund, or an organization or association not endowed with juridical personality, that is at the particular time a listed entity within the meaning of subsection 1 of section 83.01 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46);”;

(2) by adding the following subparagraphs at the end of paragraph *h*:

“vi. a listed terrorist entity or a member of such an entity,

“vii. a director, trustee, officer or like official of a listed terrorist entity during a period in which that entity supported or engaged in terrorist activities, including a period prior to the date on which the entity became a listed terrorist entity, or

“viii. an individual who controlled or managed, directly or indirectly, in any manner whatever, a listed terrorist entity during a period in which that entity supported or engaged in terrorist activities, including a period prior to the date on which the entity became a listed terrorist entity;”.

(2) Subsection 1 has effect from 29 June 2021.

**94.** (1) The Act is amended by inserting the following section after section 985.2.6, enacted by section 81 of chapter 18 of the statutes of 2021:

**“985.2.7.** Where a person, partnership, group or fund, or an organization or association not endowed with juridical personality, becomes a listed terrorist entity at a particular time and ceases to be a listed terrorist entity at a later time further to an application made under subsection 2 of section 83.05 of the Criminal Code (Revised Statutes of Canada, 1985, chapter C-46) or following the application of paragraph *d* of subsection 6 of that section 83.05, the entity is deemed, except for the purposes of this section, not to have become a listed terrorist entity and to not have been a listed terrorist entity throughout the period that begins at the particular time and ends at the later time.”

(2) Subsection 1 has effect from 29 June 2021.

**95.** (1) Section 985.8.1 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) of a registered charity, if a false statement, within the meaning assigned by the first paragraph of section 1049.0.3, was made in circumstances amounting to culpable conduct, within the meaning assigned by that first paragraph, in the furnishing of information for the purpose of obtaining or maintaining its registration;”.

(2) Subsection 1 has effect from 29 June 2021.

**96.** (1) Section 999.3 of the Act, amended by section 87 of chapter 18 of the statutes of 2021, is again amended by adding the following subparagraph at the end of the first paragraph:

“(g) where the donee is a registered charity, a false statement, within the meaning assigned by the first paragraph of section 1049.0.3, was made in circumstances amounting to culpable conduct, within the meaning assigned by that first paragraph, in the furnishing of information for the purpose of maintaining its registration.”

(2) Subsection 1 has effect from 29 June 2021.



**97.** (1) Section 1010 of the Act, amended by section 117 of chapter 14 of the statutes of 2021, is again amended by replacing subparagraph vi of paragraph *a.1* of subsection 2 by the following subparagraph:

“vi. a redetermination of the taxpayer’s tax is required to be made as a consequence of a transaction, within the meaning of the first paragraph of section 1082.3, involving the taxpayer and a person not resident in Canada with whom the taxpayer was not dealing at arm’s length.”.

(2) Subsection 1 applies to a taxation year of a taxpayer in respect of which the time limit provided for in paragraph *a* of subsection 2 of section 1010 of the Act or in paragraph *a.0.1* of that subsection, as the case may be, expires after 18 March 2019.

**98.** (1) The Act is amended by inserting the following section after section 1029.6.0.1.8:

**“1029.6.0.1.8.0.1.** For the purposes of Divisions II.6 to II.6.0.0.5, where a corporation shows, to the Minister’s satisfaction, that its failure to file, in a taxation year (in this section referred to as the “year of the failure”), an application for an advance ruling or an application for a qualification certificate with the Société de développement des entreprises culturelles in respect of a property is directly attributable to the measures taken to mitigate the effects of the COVID-19 pandemic and that it filed such an application in respect of the property as soon as possible, the Minister may consider that the corporation filed, in the year of the failure, the application for an advance ruling or the application for a qualification certificate, as the case may be, in respect of the property.

Where the Minister exercises discretion in the corporation’s favour in accordance with the first paragraph, the application referred to in the first paragraph is deemed to have been filed by the corporation with the Société de développement des entreprises culturelles in respect of the property in the year of the failure and not in the year in which it was actually filed.”

(2) Subsection 1 applies to a taxation year that ends after 14 March 2020.

**99.** (1) Section 1029.6.0.6 of the Act, amended by section 124 of chapter 14 of the statutes of 2021 and by section 100 of chapter 18 of the statutes of 2021, is again amended by replacing subparagraph *a* of the fourth paragraph by the following subparagraph:

“(a) the amounts of \$60,135 and \$100,000 mentioned in section 1029.8.61.5;”.

(2) Subsection 1 applies from the taxation year 2022. However, where section 1029.6.0.6 of the Act applies to the taxation year 2022, it is to be read as if subparagraph *a* of the fourth paragraph were replaced by the following subparagraph:

“(a) the amount of \$60,135 mentioned in section 1029.8.61.5;”.

**100.** (1) Section 1029.8.1 of the Act is amended by striking out “and Division II.2” in the portion before paragraph *a.1*.

(2) Subsection 1 has effect from 26 March 2021.

**101.** (1) Section 1029.8.1.1 of the Act is replaced by the following section:

**“1029.8.1.1.** For the purposes of paragraph *b* of section 1029.8.1, the following rules apply:

(a) where a particular eligible university entity that is a subsidiary wholly-owned corporation of another eligible university entity that is a prescribed university hospital medical research centre, or a non-profit corporation under the authority of such a centre binds itself to undertake directly, in Québec, scientific research and experimental development, as part of a university research contract, the scientific research and experimental development undertaken by the prescribed university hospital medical research centre, whose particular eligible university entity is either a subsidiary wholly-owned corporation or a non-profit corporation under the authority of the centre, on behalf of the particular eligible university entity as part of the contract are deemed to be undertaken by the latter;

(b) where a particular eligible university entity that is a prescribed university hospital medical research centre binds itself to undertake directly, in Québec, scientific research and experimental development, as part of a university research contract, the scientific research and experimental development undertaken on behalf of the particular eligible university entity as part of the contract by another eligible university entity that is a subsidiary wholly-owned corporation of the particular eligible university entity or a non-profit corporation under the authority of the particular eligible university entity, are deemed to be undertaken by the particular eligible university entity; and

(c) where a university research contract has been entered into by an eligible university entity that is a prescribed university hospital medical research centre, and another eligible university entity that is either a subsidiary wholly-owned corporation of the centre or a non-profit corporation under the authority of the centre is substituted for the eligible university entity to continue performing the contract, the subsidiary wholly-owned corporation or the non-profit corporation, as the case may be, is deemed not to be a separate person from the centre.”

(2) Subsection 1 has effect from 26 March 2021.

**102.** (1) The Act is amended by inserting the following section after section 1029.8.1.1.1:

**“1029.8.1.1.2.** For the purposes of paragraphs *a.2* and *b* of section 1029.8.1, where, in relation to an eligible research contract or a university research contract, part of the scientific research and experimental development provided for in the contract is undertaken by a particular person, other than the eligible public research centre, the eligible research consortium or the eligible university entity, that is a party to the contract (in this section referred to as the “contractor”), the scientific research and experimental development undertaken by the particular person is deemed to be undertaken directly by the contractor if the contractor is directly undertaking substantially all of the scientific research and experimental development and retains general control over the performance of the contract.”

(2) Subsection 1 has effect from 26 March 2021.

**103.** (1) Division II.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, comprising sections 1029.8.9 to 1029.8.9.0.1.2, is repealed.

(2) Subsection 1 has effect from 26 March 2021.

**104.** (1) Section 1029.8.19.2 of the Act, amended by section 113 of chapter 18 of the statutes of 2021, is again amended by replacing “1029.8.9.0.1.2” in the eighth paragraph by “1029.8.1.1.2”.

(2) Subsection 1 has effect from 26 March 2021.

**105.** (1) Section 1029.8.19.13.1 of the Act, enacted by section 127 of chapter 14 of the statutes of 2021, is amended

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

**“1029.8.19.13.1.** For the purpose of computing the amount that a taxpayer is deemed to have paid to the Minister for a taxation year that begins after 10 March 2020, under section 1029.7 or 1029.8.9.0.3 (each of which is referred to in this section as the “particular provision”), the following rules apply:”;

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

“(b) the aggregate of all amounts each of which is the amount of an eligible fee or eligible fee balance, within the meaning assigned to those expressions by section 1029.8.9.0.2, that may reasonably be considered to be attributable to expenditures made by an eligible research consortium for scientific research and experimental development related to a business of the taxpayer that are undertaken by the eligible research consortium in Québec, before 11 March 2020,

in its fiscal period ending in the taxpayer's taxation year and that is included in the taxpayer's reducible expenditures for the year, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the exclusion threshold applicable to the taxpayer for the year and the aggregate of those amounts for the year; and”;

(3) by adding the following subparagraph at the end of the first paragraph:

“(c) where the taxpayer is a corporation, the taxpayer's expenditure limit for the year, determined for the purposes of section 1029.7.2 or 1029.8.9.0.3.1, is to be reduced by the amount of the reduction, determined for the year in respect of the taxpayer under subparagraph *a* or *b*, that relates to that expenditure limit.”;

(4) by replacing the portion of the second paragraph before the formula by the following:

“Where the amount of a taxpayer's reducible expenditures for a taxation year is greater than the exclusion threshold applicable to the taxpayer for the year and the taxpayer may be deemed, but for this subdivision, to have paid two or more amounts to the Minister for the year under sections 1029.7, 1029.8.6, 1029.8.9.0.3 and 1029.8.16.1.4, the exclusion threshold applicable to the taxpayer for the year is deemed, for the purposes of subparagraphs *a* and *b* of the first paragraph, to be equal to the amount determined, in relation to each particular provision, by the formula”;

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

“(b) B is the aggregate of all amounts each of which is an amount included in the taxpayer's reducible expenditures for the year under paragraph *a* of the definition of “reducible expenditures” in the first paragraph of section 1029.8.19.8, where the particular provision is section 1029.7, or under paragraph *c* of that definition, where the particular provision is section 1029.8.9.0.3; and”.

(2) Subsection 1 has effect from 10 March 2020.

**106.** (1) Section 1029.8.19.14.1 of the Act, enacted by section 129 of chapter 14 of the statutes of 2021, is amended

(1) by replacing the portion before the formula in the second paragraph by the following:

“**1029.8.19.14.1.** For the purpose of computing the amount that a taxpayer who is a member of a partnership is deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that begins after 10 March 2020 ends, under section 1029.8 or 1029.8.9.0.4 (each of which is referred to in this section as the “particular provision”), the following rules apply:

(a) the aggregate of all amounts each of which is the amount of the taxpayer's share of wages that are, or of a portion of a consideration that is, referred to in any of subparagraphs *a* to *i* of the first paragraph of section 1029.8 and that is included in the partnership's reducible expenditures for the fiscal period, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period and the aggregate of those amounts for the fiscal period; and

(b) the aggregate of all amounts each of which is the amount of the taxpayer's share of an eligible fee or eligible fee balance, within the meaning assigned to those expressions by section 1029.8.9.0.2, that may reasonably be considered to be attributable to expenditures made by an eligible research consortium for scientific research and experimental development related to a business of the partnership that are undertaken by the eligible research consortium in Québec, before 11 March 2020, in its fiscal period ending in the partnership's fiscal period and that is included in the partnership's reducible expenditures for the fiscal period, determined with reference to subdivisions 2, 4 and 6, is to be reduced by the lesser of the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period and the aggregate of those amounts for the fiscal period.

Where the amount of a partnership's reducible expenditures for a fiscal period is greater than the exclusion threshold applicable to the partnership for the fiscal period and a taxpayer who is a member of the partnership may be deemed, but for this subdivision, to have paid two or more amounts to the Minister for the taxation year in which that fiscal period ends under sections 1029.8, 1029.8.7, 1029.8.9.0.4 and 1029.8.16.1.5 in relation to the partnership, the taxpayer's share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year is deemed, for the purposes of subparagraphs *a* and *b* of the first paragraph, to be equal to the amount determined, in relation to each particular provision, by the formula”;

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

“(b) B is the aggregate of all amounts each of which is the taxpayer's share of an amount included in the partnership's reducible expenditures for the fiscal period that ends in the year under paragraph *a* of the definition of “reducible expenditures” in the first paragraph of section 1029.8.19.8, where the particular provision is section 1029.8, or under paragraph *c* of that definition, where the particular provision is section 1029.8.9.0.4; and”.

(2) Subsection 1 has effect from 10 March 2020.

**107.** (1) Section 1029.8.19.15 of the Act, replaced by section 130 of chapter 14 of the statutes of 2021, is again replaced by the following section:

**“1029.8.19.15.** For the purposes of sections 1029.8.19.13 to 1029.8.19.14.1, where the amount that reduces an aggregate described in any of subparagraphs *a* to *d* of the first paragraph of section 1029.8.19.13 or 1029.8.19.14 or in subparagraph *a* or *b* of the first paragraph of section 1029.8.19.13.1 or 1029.8.19.14.1 is equal to the exclusion threshold applicable to the taxpayer for a taxation year or to the taxpayer’s share of a partnership’s exclusion threshold for a fiscal period that ends in a taxation year, as the case may be, the taxpayer may designate which of the taxpayer’s expenditures or of the taxpayer’s share of the expenditures included in that aggregate is to be reduced by all or part of the taxpayer’s exclusion threshold for the year or of the taxpayer’s share of the exclusion threshold applicable to the partnership for the fiscal period that ends in the year, as the case may be.”

(2) Subsection 1 has effect from 10 March 2020.

**108.** (1) The Act is amended by inserting the following section after section 1029.8.21.3.1:

**“1029.8.21.3.1.1.** A taxpayer may not be deemed to have paid an amount to the Minister on account of the taxpayer’s tax payable for a particular taxation year under any of sections 1029.7, 1029.8, 1029.8.6, 1029.8.7, 1029.8.9.0.3, 1029.8.9.0.4, 1029.8.16.1.4 and 1029.8.16.1.5 in respect of all or part of an expenditure that is wages or part of a consideration, a qualified expenditure, an eligible fee or an eligible fee balance, as the case may be, and that may reasonably be considered to be incurred in respect of

(*a*) a digital platform that hosts content comprising explicit sex scenes or graphic representations of such scenes or enables the sharing of such content, or that is intended to host or enable the sharing of such content, unless, for the taxation year, all or substantially all of the content that is hosted or shared, or that is intended to be hosted or shared, does not constitute such content or it is established to the Minister’s satisfaction that reasonable measures have been taken to ensure that such an expenditure is not incurred in respect of such a platform; or

(*b*) a multimedia title comprising explicit sex scenes or graphic representations of such scenes.”

(2) Subsection 1 applies in respect of an expenditure incurred after 25 March 2021 or incurred under a research contract entered into after 24 March 2021.

**109.** (1) Section 1029.8.33.7.2 of the Act is amended by adding the following paragraph at the end:

“Despite the first paragraph, for the purposes of sections 1029.8.33.6 and 1029.8.33.7 in relation to a qualified expenditure incurred after 25 March 2021 and before 1 May 2022 in respect of a qualified training period that begins after 25 March 2021, the following rules apply:

(a) where the eligible taxpayer referred to in either of those sections is a qualified corporation, the percentage of 12% mentioned in the first paragraph of that section is to be replaced,

i. where the qualified expenditure is referred to in subparagraph i of subparagraph *a* of the first paragraph of this section, by a percentage of 40% in respect of that expenditure, and

ii. in any other case, by a percentage of 30%; and

(b) where the eligible taxpayer referred to in either of those sections is an individual (other than a tax-exempt individual), the percentage of 12% mentioned in the first paragraph of that section is to be replaced,

i. where the qualified expenditure is referred to in subparagraph *b* of the first paragraph of this section, by a percentage of 20% in respect of that expenditure, and

ii. in any other case, by a percentage of 15%.”

(2) Subsection 1 has effect from 25 March 2021.

**110.** (1) Section 1029.8.33.11.21 of the Act is amended by replacing paragraph *c* of the definition of “recognized educational institution” in the first paragraph by the following paragraph:

“(c) an educational institution mentioned in the list established by the Minister of Education, Recreation and Sports or the Minister of Higher Education, Research, Science and Technology under any of subparagraphs 1 to 3 of the first and second paragraphs of section 56 of the Act respecting financial assistance for education expenses (chapter A-13.3); or”.

(2) Subsection 1 has effect from 28 March 2018.

**111.** (1) Section 1029.8.36.0.0.10 of the Act, amended by section 133 of chapter 14 of the statutes of 2021, is again amended by adding the following paragraph at the end:

“For the purposes of this division, the Minister may extend, by not more than one year, the period described in paragraph *c* of the definition of “qualified performance” in the first paragraph in respect of a property of a corporation,

where the corporation establishes, to the Minister's satisfaction, that it reduced the number of performances of the property before an audience or ceased the performance of the property and that the reduction or cessation, as the case may be, is directly attributable to the measures put in place to mitigate the effects of the COVID-19 pandemic. In such a case, the period for which the favourable advance ruling was given or for which the certificate was issued in respect of the corporation is deemed to correspond to the period so extended.”

(2) Subsection 1 applies in respect of a period that ends after 14 March 2020.

**112.** Section 1029.8.36.0.3.80 of the Act, amended by section 120 of chapter 18 of the statutes of 2021, is again amended by striking out the fourth, fifth, sixth, seventh, eighth and ninth paragraphs.

**113.** (1) Section 1029.8.36.0.3.88 of the Act, amended by section 136 of chapter 14 of the statutes of 2021, is again amended by replacing paragraph *a* of the definition of “excluded corporation” in the first paragraph by the following paragraph:

“(a) a corporation that is exempt from tax for the year under Book VIII, other than a corporation exempt from tax under section 985.26.3; or”.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2019.

**114.** (1) Section 1029.8.36.0.3.109 of the Act, enacted by section 140 of chapter 14 of the statutes of 2021, is amended, in the first paragraph,

(1) by striking out the definition of “broadcasting undertaking”;

(2) by replacing paragraph *b* of the definition of “excluded subsidiary” by the following paragraph:

“(b) a corporation that, in the particular taxation year or particular fiscal period, as the case may be, holds a licence to carry on a broadcasting undertaking; or”;

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

““licence to carry on a broadcasting undertaking” means a licence within the meaning of subsection 1 of section 2 of the Broadcasting Act (Statutes of Canada, 1991, chapter 11);”;

(4) by replacing paragraph *c* of the definition of “qualified partnership” by the following paragraph:

“(c) does not hold a licence to carry on a broadcasting undertaking;”;



(5) by replacing paragraph *a* of the definition of “excluded corporation” by the following paragraph:

“(a) a corporation that is exempt from tax for the year under Book VIII, other than a corporation exempt from tax under section 985.26.3;”;

(6) by replacing paragraph *c* of the definition of “excluded corporation” by the following paragraph:

“(c) a corporation that, in the year, holds a licence to carry on a broadcasting undertaking;”.

(2) Paragraphs 1 to 4 and 6 of subsection 1 have effect from 1 January 2019.

(3) Paragraph 5 of subsection 1 applies to a taxation year that begins after 31 December 2019.

**115.** Section 1029.8.36.54 of the Act is amended, in the first paragraph,

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

““vessel” includes a semi-submersible rig and a floating plant.”;

(2) by replacing the definition of “eligible vessel” by the following definition:

““eligible vessel” of a qualified corporation means a vessel in respect of which a qualification certificate was issued to the corporation by the Minister of Economy and Innovation for the purposes of this division;”.

**116.** Section 1029.8.36.55 of the Act is amended, in the first paragraph,

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

**“1029.8.36.55.** A qualified corporation that, in a taxation year, constructs in Québec an eligible vessel and encloses with the fiscal return it is required to file for the year under section 1000 a copy of the qualification certificate issued to it by the Minister of Economy and Innovation in respect of the eligible vessel and the prescribed form containing prescribed information, is deemed, subject to the fourth 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, the lesser of”;

(2) by striking out all occurrences of “issued by the Minister of Economy and Innovation” in subparagraphs *a* and *b*.

**117.** Section 1029.8.36.55.1 of the Act is amended, in the first paragraph,

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

**“1029.8.36.55.1.** A qualified corporation that, in a taxation year, converts in Québec an eligible vessel and encloses with the fiscal return it is required to file for the year under section 1000 a copy of the qualification certificate issued to it by the Minister of Economy and Innovation in respect of the eligible vessel and the prescribed form containing prescribed information, is deemed, subject to the fourth 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, the lesser of”;

(2) by striking out all occurrences of “issued by the Minister of Economy and Innovation” in subparagraphs *a* and *b*.

**118.** Section 1029.8.36.56 of the Act is amended by replacing the portion before paragraph *b* by the following:

**“1029.8.36.56.** For the purposes of this division, the following rules apply:”.

**119.** (1) Section 1029.8.36.72.82.13 of the Act, amended by section 127 of chapter 18 of the statutes of 2021, is again amended by adding the following subparagraph at the end of the second paragraph:

“(c) if, during a pay period that ended in a calendar year, an employee referred to in paragraph *b* of the definition of “eligible amount” in the first paragraph spends, when at work, less than 75% of working time in undertaking, supervising or supporting work that is directly related to activities described in a qualification certificate issued to a corporation, the Minister may consider that at least 75% of the employee’s working time was spent on such work in that period if the Minister is of the opinion that the impossibility for the employee to reach that percentage is directly attributable to the measures taken to mitigate the effects of the COVID-19 pandemic.”

(2) Subsection 1 applies to a taxation year that ends after 14 March 2020.

**120.** (1) Section 1029.8.36.166.60.36 of the Act, enacted by section 151 of chapter 14 of the statutes of 2021, is amended, in the first paragraph,

(1) by adding the following paragraph at the end of the definition of “specified property”:

“(h) the property is neither used to host or produce content comprising explicit sex scenes or graphic representations of such scenes, nor to enable the sharing of such content, unless

i. it is established to the Minister's satisfaction that reasonable measures have been taken by the corporation to ensure such property is not used to host, produce or share such content, or

ii. all or substantially all of the content that is hosted, produced or shared does not constitute such content;”;

(2) by striking out subparagraphs vi and xviii of paragraph *a* of the definition of “territory with low economic vitality”;

(3) by inserting the following subparagraph after subparagraph xiii of paragraph *a* of the definition of “territory with low economic vitality”:

“xiii.1. Municipalité régionale de comté de Maskinongé;”;

(4) by inserting the following subparagraph after subparagraph xv of paragraph *a* of the definition of “territory with low economic vitality”:

“xv.1. Municipalité régionale de comté de Papineau;”;

(5) by inserting the following subparagraph after subparagraph xxi of paragraph *a* of the definition of “territory with low economic vitality”:

“xxi.1. Municipalité régionale de comté du Domaine-du-Roy;”;

(6) by replacing paragraph *b* of the definition of “territory with low economic vitality” by the following paragraph:

“(b) the urban agglomeration of La Tuque, as described in section 8 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations (chapter E-20.001); or”.

(2) Paragraph 1 of subsection 1 applies in respect of a property acquired after 25 March 2021.

(3) Paragraphs 2 and 6 of subsection 1 apply in respect of expenses incurred after 31 March 2023 for the acquisition of a property after that date.

(4) Paragraphs 3 to 5 of subsection 1 apply in respect of expenses incurred after 30 June 2021 for the acquisition of a property after that date, unless it is a property acquired pursuant to an obligation in writing entered into on or before 30 June 2021 or the construction of which had begun by that date.

**121.** (1) Section 1029.8.36.166.60.48 of the Act, enacted by section 151 of chapter 14 of the statutes of 2021, is amended by replacing the first paragraph by the following paragraph:

“A qualified corporation for a taxation year that encloses the documents described in the fifth paragraph with the fiscal return it is required to file for

the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying a portion of its specified expenses for the year in respect of a specified property, such portion being referred to in section 1029.8.36.166.60.50, by the rate determined for the year, under that section, in relation to that portion of expenses, to the extent that that portion is paid and that the aggregate of those portions of expenses is established subject to the second paragraph and does not include the portion, determined by the qualified corporation, of its specified expenses incurred in the year as a party to a joint venture that exceeds its share for the year of the balance of the joint venture's cumulative specified expense limit."

(2) Subsection 1 has effect from 26 March 2021.

**122.** (1) Section 1029.8.36.166.60.49 of the Act, enacted by section 151 of chapter 14 of the statutes of 2021, is amended by replacing the first paragraph by the following paragraph:

"A qualified corporation for a taxation year that is a member of a qualified partnership at the end of a particular fiscal period of the partnership that ends in the year and that encloses the documents described in the sixth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fourth paragraph, to have paid to the Minister on the qualified corporation's balance-due day for the year, on account of its tax payable for the year under this Part, an amount equal to the aggregate of all amounts each of which is the product obtained by multiplying its share of a portion of the partnership's specified expenses for the particular fiscal period in respect of a specified property, such portion being referred to in section 1029.8.36.166.60.50, by the rate determined for the year, under that section, in relation to that portion of expenses, to the extent that that portion is paid and that its share of the aggregate of those portions of expenses is established subject to the second paragraph and includes neither its share of the portion, determined by the qualified corporation, of the qualified partnership's specified expenses for the particular fiscal period that exceeds the balance of the partnership's cumulative specified expense limit for the particular fiscal period, nor its share of the portion, determined by the qualified corporation, of such expenses incurred by the partnership in the particular fiscal period as a party to a joint venture that exceeds the partnership's share for the particular fiscal period of the balance of the joint venture's cumulative specified expense limit."

(2) Subsection 1 has effect from 26 March 2021.

**123.** (1) Section 1029.8.36.166.60.50 of the Act, enacted by section 151 of chapter 14 of the statutes of 2021, is amended

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

“The rate to which the first paragraph of sections 1029.8.36.166.60.48 and 1029.8.36.166.60.49 refers, in relation to a portion of the specified expenses of a corporation or a partnership, in respect of a specified property, for a particular taxation year of the corporation or a corporation that is a member of the partnership is

(a) where the specified property is acquired to be used mainly in a territory with low economic vitality,

i. if the portion of the specified expenses represents expenses that are described in the fourth paragraph, 40%, or

ii. in any other case, 20%;

(b) where the specified property is acquired to be used mainly in a territory with intermediate economic vitality,

i. if the portion of the specified expenses represents expenses that are described in the fourth paragraph, 30%, or

ii. in any other case, 15%; or

(c) where the specified property is acquired to be used mainly in a territory with high economic vitality,

i. if the portion of the specified expenses represents expenses that are described in the fourth paragraph, 20%, or

ii. in any other case, 10%.”;

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

“The expenses referred to in subparagraph i of each of subparagraphs a to c of the first paragraph are those that are incurred in the period that begins on 26 March 2021 and ends on 31 December 2022, where

(a) the property is acquired in that period otherwise than pursuant to an obligation in writing entered into on or before 25 March 2021 and is not a property the construction of which, by or on behalf of the purchaser, had begun by that date; or

(b) the property is acquired after 31 December 2022 and before 1 April 2023 and either the acquisition is made pursuant to an obligation in writing entered into in the period that begins on 26 March 2021 and ends on 31 December 2022, or the construction of the property, by or on behalf of the purchaser, began in that period.”

(2) Subsection 1 has effect from 26 March 2021.

**124.** (1) Section 1029.8.61.2.5 of the Act is replaced by the following section:

**“1029.8.61.2.5.** The portion of an amount paid for a particular month in a taxation year as rent for an eligible individual’s dwelling unit, other than a dwelling unit situated in a private seniors’ residence or in a facility maintained by a private institution not under agreement that operates a residential and long-term care centre governed by the Act respecting health services and social services (chapter S-4.2), that is an eligible expense made by the eligible individual in the year is equal to the amount obtained by multiplying by 5% the greater of

(a) \$600; and

(b) the lesser of the eligible rent for the dwelling unit for that month and \$1,200.

If an eligible individual is co-leasing a dwelling unit with at least one person who is not the eligible individual’s spouse, the amounts of \$600 and \$1,200 mentioned in the first paragraph are to be replaced, respectively, by the quotients obtained by dividing \$600 and \$1,200 by the number of co-lessees of the dwelling unit.”

(2) Subsection 1 applies from the taxation year 2022.

**125.** (1) Section 1029.8.61.5 of the Act is amended by replacing the portion before subparagraph *a* of the third paragraph by the following:

**“1029.8.61.5.** Subject to section 1029.8.61.5.1, an eligible individual who, in a taxation year, makes an eligible expense and files, for the year, a fiscal return under section 1000 is deemed to have paid to the Minister, on the eligible individual’s balance-due day for that taxation year, on account of the eligible individual’s tax payable for the year under this Part, an amount equal to

(a) where neither the eligible individual nor, if section 1029.8.61.5.1 applies in respect of the eligible individual, the eligible individual’s eligible spouse is a dependent person at the end of the year, the amount determined by the formula

$(A \times B) - (C + D)$ ; or

(b) in any other case, the amount determined by the formula

$(35\% \times B) + E$ .

In the formulas in the first paragraph,

(a) A is

- i. 36%, where the taxation year is the year 2022,
- ii. 37%, where the taxation year is the year 2023,
- iii. 38%, where the taxation year is the year 2024,
- iv. 39%, where the taxation year is the year 2025, or
- v. 40%, where the taxation year is a year subsequent to the year 2025;

(b) B is the aggregate of all amounts each of which is an eligible expense made by the eligible individual in the year;

(c) C is 3% of the amount by which the lesser of \$100,000 and the eligible individual's family income for the year exceeds \$60,135;

(d) D is 7% of the amount by which the eligible individual's family income for the year exceeds \$100,000; and

(e) E is the amount determined by the formula

$F - G$ .

In the formula in subparagraph *e* of the second paragraph,

(a) F is the product obtained by multiplying the aggregate described in subparagraph *b* of the second paragraph by

- i. 1%, where the taxation year is the year 2022,
- ii. 2%, where the taxation year is the year 2023,
- iii. 3%, where the taxation year is the year 2024,
- iv. 4%, where the taxation year is the year 2025, or
- v. 5%, where the taxation year is a year subsequent to the year 2025; and

(b) G is 3% of the amount by which the eligible individual's family income for the year exceeds \$60,135.

However, for the purposes of subparagraph *b* of the second paragraph, the aggregate of all amounts each of which is an eligible expense made by an eligible individual in a taxation year may not exceed”.

(2) Subsection 1 applies from the taxation year 2022.

**126.** (1) Section 1029.8.61.5.1 of the Act is amended by replacing paragraph *c* by the following paragraph:

“(c) the amount determined for the year under the fourth paragraph of section 1029.8.61.5 in respect of the eligible individual to whom paragraph *a* applies is to be increased by the amount that would be determined for the year under that paragraph in respect of the eligible individual’s eligible spouse if this division were read without reference to this section.”

(2) Subsection 1 applies from the taxation year 2022.

**127.** (1) The Act is amended by inserting the following section after section 1029.8.61.5.2:

“**1029.8.61.5.3.** Where a fiscal return is filed under section 1000 for a taxation year by an eligible individual for the year, where no amount that is, under section 1029.8.61.2.5, an eligible expense made by the eligible individual in the year is included by the individual in the aggregate described in subparagraph *b* of the second paragraph of section 1029.8.61.5 for the year and where the Minister holds information allowing the Minister to conclude that the eligible individual could have included such an amount in that aggregate, the following rules apply:

(a) that aggregate is deemed to include the total of all amounts each of which is the amount that would have been determined, under section 1029.8.61.2.5, as an eligible expense made by the eligible individual in the year if the greater of the amounts to which the first paragraph of section 1029.8.61.2.5 refers had been the amount of \$600 specified in subparagraph *a* of that paragraph or the amount that replaces it in accordance with the second paragraph of that section, if applicable; and

(b) section 1029.8.61.5 is to be read, in respect of an eligible expense the amount of which is included in that aggregate because of the application of paragraph *a*, without reference to subparagraph *a* of its fifth paragraph.”

(2) Subsection 1 applies from the taxation year 2022.

**128.** (1) Section 1029.8.61.6 of the Act is amended by replacing the second paragraph by the following paragraph:

“If an application for advance payments referred to in the first paragraph is made in respect of an eligible expense that includes a portion of an amount paid as rent, the prescribed form used for the application must be accompanied



by the documents described in subparagraphs i to iii of subparagraph *a* of the fifth paragraph of section 1029.8.61.5.”

(2) Subsection 1 applies from the taxation year 2022.

**129.** (1) Section 1029.8.61.8 of the Act is amended by replacing paragraph *b* of the definition of “eligible dependent child” by the following paragraph:

“(b) is not the subject of an order for placement in an alternative living environment until the person reaches majority according to the conclusions of a judgement rendered under the Youth Protection Act (chapter P-34.1);”.

(2) Subsection 1 has effect from 9 September 2021.

**130.** (1) The Act is amended by inserting the following section after section 1029.8.61.9:

**“1029.8.61.9.1.** For the purposes of paragraph *a* of the definition of “eligible individual” in section 1029.8.61.8, an individual is presumed to reside, at any time, with an eligible dependent child who, at that time, is lodged or sheltered pursuant to the law if the individual was an eligible individual in respect of the child immediately before the child’s being lodged or sheltered became effective pursuant to the law or, where there is no such eligible individual, if the individual is, at that time, a person having a bond of filiation with the child.”

(2) Subsection 1 has effect from 9 September 2021.

**131.** (1) Section 1029.8.61.11.2 of the Act is replaced by the following section:

**“1029.8.61.11.2.** If, at the beginning of a particular month, a person has a bond of filiation with an eligible dependent child who is the subject of shared custody and in respect of whom the person does not assume at least 40% of custody time during the particular month, that person and, where applicable, the person’s cohabiting spouse at the beginning of the particular month, are deemed, despite section 1029.8.61.9.1, not to be residing with that child at the beginning of the particular month.”

(2) Subsection 1 has effect from 9 September 2021.

**132.** (1) Section 1029.8.61.24 of the Act is amended by replacing the third paragraph by the following paragraph:

“There is an exemption from filing a new application, in respect of a child, where, no later than 12 months after the cessation of the entitlement to receive an amount in respect of a family allowance by reason of non-compliance with the conditions relating to the contribution that was payable under the Regulation respecting the application of the Act respecting health services and social

services for Cree Native persons (chapter S-5, r. 1) in respect of the child who is lodged or sheltered pursuant to the law, Retraite Québec is informed that the child is no longer lodged or sheltered at a particular time that is before 1 September 2021 or that those conditions have been satisfied before that date.”

(2) Subsection 1 has effect from 9 September 2021.

**133.** (1) Section 1029.8.61.96.10 of the Act, enacted by section 154 of chapter 14 of the statutes of 2021, is amended, in the first paragraph,

(1) by adding the following paragraph at the end of the definition of “minimum cohabitation period”:

“(d) throughout the period, the person is resident in Canada;”;

(2) by adding the following paragraph at the end of the definition of “minimum period of support”:

“(d) throughout the period, the person is resident in Canada;”.

(2) Subsection 1 applies from the taxation year 2020.

**134.** (1) Section 1029.8.61.96.19 of the Act, enacted by section 154 of chapter 14 of the statutes of 2021, is replaced by the following section:

“**1029.8.61.96.19.** Where, in a taxation year, more than one individual, concomitantly or not, ordinarily lives for at least 90 days with the same person in a self-contained domestic establishment described in the definition of “minimum cohabitation period” in the first paragraph of section 1029.8.61.96.10 or provides assistance to that same person for at least 90 days in the manner described in the definition of “minimum period of support” in that paragraph, the following rules apply for the purpose of determining the amount each of those individuals is deemed to have paid to the Minister for the year under section 1029.8.61.96.12 or 1029.8.61.96.13 in respect of the person:

(a) for the purpose of computing the minimum periods of 365 consecutive days and of 183 days in the year that are provided for in each of those definitions in relation to the person, those individuals are deemed to be one and the same individual and, for greater certainty, the days during which those individuals concomitantly so live with the person or provide such assistance to the person are counted only once;

(b) the total of the amounts each of those individuals is deemed to have paid to the Minister under section 1029.8.61.96.12 or 1029.8.61.96.13 for the year, in respect of the person, may not exceed the particular amount that only one of those individuals would be deemed to have paid to the Minister for the year under either of those sections if the person were an eligible carereceiver or an eligible senior relative, as the case may be, only in relation to that individual; and

(c) where those individuals cannot agree as to what portion of the particular amount each is deemed to have paid to the Minister for the year under either of those sections, the Minister may determine what portion of that amount is deemed paid by each individual under that section and, for the purposes of that determination, priority is given to a cohabitation period over a period of support.”

(2) Subsection 1 applies from the taxation year 2020.

**135.** (1) The Act is amended by inserting the following section after section 1029.8.68:

**“1029.8.68.1.** For the purposes of applying this division to an individual for the taxation year 2020 or 2021, the definition of “child care expense” in section 1029.8.67 is, in relation to any period of the year in which the individual, or the individual’s eligible spouse for the year, was entitled to amounts referred to in any of paragraphs *c*, *c.1* and *e.2* to *e.6* of section 311, in respect of that year, to be read as if its paragraph *b* were replaced by the following paragraph:

“(b) is incurred at a time when the individual, or, subject to the second paragraph of section 1029.8.81, the individual’s eligible spouse for the year, resides with the child; and”.

(2) Subsection 1 has effect from 1 January 2020.

**136.** Section 1044.4 of the Act is amended by replacing “brought an appeal” and “bring an appeal” in subparagraph iv of paragraph *c* by “initiated an appeal” and “make an appeal”, respectively.

**137.** Section 1050 of the Act is amended by replacing “or appeal” by “filed or appeal initiated”.

**138.** (1) The Act is amended by inserting the following section after section 1065:

**“1065.0.1.** Despite sections 1063 to 1065, the registration of a qualified donee is revoked as of the date on which it became a listed terrorist entity for the purposes of Chapter III.1 of Title I of Book VIII.”

(2) Subsection 1 has effect from 29 June 2021.

**139.** (1) Section 1079.1 of the Act is amended by inserting the following definitions in alphabetical order in the first paragraph:

““trust account number” has the meaning assigned by subsection 1 of section 248 of the Income Tax Act (Revised Statutes of Canada, 1985, chapter 1, 5th Supplement);

““trust tax identification number” has the meaning assigned by the second paragraph of section 58.1.1 of the Tax Administration Act (chapter A-6.002).”

(2) Subsection 1, where it enacts the definition of “trust tax identification number” in the first paragraph of section 1079.1 of the Act, has effect from 25 March 2021.

(3) Subsection 1, where it enacts the definition of “trust account number” in the first paragraph of section 1079.1 of the Act, has effect from 2 June 2021.

**140.** (1) Section 1079.7 of the Act, amended by section 182 of chapter 14 of the statutes of 2021, is again amended by replacing paragraph *a* by the following paragraph:

“(a) the name, address and either the Social Insurance Number or the trust account number and trust tax identification number of each individual who so acquired or otherwise invested in the tax shelter in the year and was resident in Québec at the time of the acquisition or investment;”.

(2) Subsection 1 has effect from 25 March 2021. However, where section 1079.7 of the Act applies before 2 June 2021, it is to be read as if paragraph *a* were replaced by the following paragraph:

“(a) the name, address and either the Social Insurance Number or the trust tax identification number of each individual who so acquired or otherwise invested in the tax shelter in the year and was resident in Québec at the time of the acquisition or investment;”.

**141.** Section 1079.13.2 of the Act is amended

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

**“1079.13.2.** If, as a consequence of the application of section 1079.10 in respect of a transaction, the tax consequences to a person (in this section referred to as the “particular person”) are determined as is reasonable in the circumstances in order to deny a tax benefit, the promoter of the transaction, or of the series of transactions that includes the transaction, incurs a penalty equal to 100% of”;

(2) by striking out the second paragraph.

**142.** Section 1079.13.3 of the Act is amended by replacing “subparagraph *b* of the first paragraph” in the portion before paragraph *a* by “paragraph *b*”.

**143.** (1) Section 1082.4 of the Act is amended by replacing the portion of the second paragraph before subparagraph *a* by the following:

“Where the conditions set out in the first paragraph are met, any amounts (in section 1082.4.1 referred to as the “initial amounts”) that would be determined for the purposes of this Act (if this Act were read without reference to this Title and sections 1079.9 to 1079.16) in respect of the taxpayer or the partnership for a taxation year or fiscal period, as the case may be, are to be adjusted to the quantum or nature of the amounts (in section 1082.4.1 referred to as the “adjusted amounts”) that would have been determined if.”

(2) Subsection 1 applies to a taxation year that begins after 18 March 2019.

**144.** (1) The Act is amended by inserting the following section after section 1082.4:

**“1082.4.1.** For the purpose of applying section 1082.4 in accordance with the other provisions of this Act, the following steps are to apply in the following order:

(a) the determination of each of the initial amounts;

(b) the adjustments, if any, to each of the initial amounts; and

(c) the use of the adjusted amounts in accordance with the provisions of this Act, except section 1082.4, but including, for greater certainty, sections 1079.9 to 1079.16.”

(2) Subsection 1 applies to a taxation year that begins after 18 March 2019.

**145.** (1) Section 1082.11 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 18 March 2019.

**146.** (1) Section 1089 of the Act, amended by section 186 of chapter 14 of the statutes of 2021, is again amended by inserting the following subparagraph after subparagraph *e* of the first paragraph:

“(e.0.1) the amounts that the individual received under the incentive program for farm workers established under the Act respecting the Ministère de l’Agriculture, des Pêcheries et de l’Alimentation (chapter M-14) according to the terms of the agreement referred to in Orders in Council 457-2020 dated 15 April 2020 and 517-2020 dated 13 May 2020 and that the individual would be required to include under paragraph e.2 of section 311 in computing the individual’s income for the year if the individual had been resident in Québec throughout the year;”

(2) Subsection 1 applies from the taxation year 2020.

**147.** (1) Section 1090 of the Act, amended by section 187 of chapter 14 of the statutes of 2021, is again amended by inserting the following subparagraph after subparagraph *e* of the first paragraph:

“(e.0.1) the amounts that the individual received under the incentive program for farm workers established under the Act respecting the Ministère de l’Agriculture, des Pêcheries et de l’Alimentation (chapter M-14) according to the terms of the agreement referred to in Orders in Council 457-2020 dated 15 April 2020 and 517-2020 dated 13 May 2020 and that the individual would be required to include under paragraph *e.2* of section 311 in computing the individual’s income for the year if the individual had been resident in Canada throughout the year;”.

(2) Subsection 1 applies from the taxation year 2020.

**148.** (1) Section 1129.27.4.1 of the Act is amended by adding the following subparagraphs at the end of paragraph *e* of the definition of “annual limit amount”:

“iv. the capitalization period that begins on 1 March 2021 and ends on 28 February 2022, and

“v. the capitalization period that begins on 1 March 2022 and ends on 28 February 2023;”.

(2) Subsection 1 has effect from 1 March 2021.

**149.** (1) Section 1129.27.4.2 of the Act is amended, in the first paragraph,

(1) by replacing the portion of subparagraph *e* before the formula by the following:

“(e) if the particular capitalization period begins after 28 February 2018 and before 1 March 2021, the amount determined by the formula”;

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

“(f) if the particular capitalization period begins after 28 February 2021, the amount determined by the formula

$30\% \times (A - B)$ .”

(2) Subsection 1 has effect from 1 March 2021.

**150.** (1) Section 1129.27.4.5 of the Act is amended by replacing “2021” in the definition of “conversion period” by “2023”.

(2) Subsection 1 has effect from 1 March 2021.

**151.** (1) Section 1129.27.4.6 of the Act is replaced by the following section:

“**1129.27.4.6.** The Corporation is required to pay, for a particular conversion period, tax under this Part equal to

(a) where the particular conversion period begins after 28 February 2018 and before 1 March 2021, 10% of the amount by which \$100,000,000 is exceeded by the aggregate of all amounts each of which is the value of a consideration that an individual has paid or has undertaken to pay, in the particular conversion period, for the acquisition of a class “B” share of the capital stock of the Corporation; or

(b) where the particular conversion period begins after 28 February 2021 and before 1 March 2023, 10% of the amount by which \$50,000,000 is exceeded by the aggregate of all amounts each of which is the value of a consideration that an individual has paid, in the particular conversion period, for the acquisition of a class “B” share of the capital stock of the Corporation.”

(2) Subsection 1 has effect from 1 March 2021.

**152.** (1) Section 1129.27.6 of the Act is amended, in the third paragraph,

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

“(e) 35%, if the share referred to in the first paragraph was issued after 28 February 2018 and before 1 March 2021; or”;

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

“(f) 30%, if the share referred to in the first paragraph was issued after 28 February 2021.”

(2) Subsection 1 has effect from 1 March 2021.

**153.** The Act is amended by inserting the following section after section 1129.61:

“**1129.61.1.** Where an agreement referred to in section 359.8 is entered into after 31 December 2018 and before 1 January 2021, the following rules apply:

(a) for the purposes of subparagraph *b* of the second paragraph of section 1129.60 and, in the cases to which subparagraph iii applies, section 359.8, the expenses referred to in paragraph *a* of section 359.8 that are incurred by a corporation in respect of the agreement in a particular month of a calendar year are deemed to have been incurred

i. in the month of January 2020, if the expenses were incurred in the calendar year 2020 and the agreement was entered into in the calendar year 2019,

ii. in the month of January 2021, if the expenses were incurred in the calendar year 2021 and the agreement was entered into in the calendar year 2020, and

iii. 12 months earlier, in any other case; and

(b) section 1129.61 is to be read as if “the following calendar year” in the portion before paragraph *a* were replaced by “the second following calendar year”.”

**154.** Section 1159.1.0.0.1 of the Act is replaced by the following section:

**“1159.1.0.0.1.** For the purposes of the definition of “maximum amount subject to tax” in section 1159.1, a person’s maximum amount subject to tax for the person’s taxation year that includes 1 April 2018 is equal to the proportion of the person’s maximum amount subject to tax for the year otherwise determined that the number of days in the taxation year that follow 31 March 2018 is of 365.”

**155.** Section 1159.1.0.0.2 of the Act, amended by section 194 of chapter 14 of the statutes of 2021, is again amended by replacing the first paragraph by the following paragraph:

“For the purposes of the definition of “maximum amount subject to tax” in section 1159.1, a person’s maximum amount subject to tax for a taxation year that has less than 365 days (other than a taxation year of the person that includes 1 April 2018) is equal to the proportion of the person’s maximum amount subject to tax for the year otherwise determined that the number of days in the taxation year is of 365.”

**156.** 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 shall pay a compensation tax for that year.”

**157.** Section 1159.3.4 of the Act, amended by section 196 of chapter 14 of the statutes of 2021, is again amended

(1) by replacing subparagraph i of subparagraph *a* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the first paragraph of that section 1159.3.4, by the following subparagraph:

“i. 2.8% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that follows 31 March 2022, and”;



(2) by replacing subparagraph *i* of subparagraph *a.1* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *a.1* of the first paragraph of that section 1159.3.4, by the following subparagraph:

“i. 0.9% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that follows 31 March 2022, and”;

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

“i. the proportion of 0.3% that the number of days in the taxation year that follow 31 March 2022 is of the number of days in the taxation year, and”;

(4) by replacing subparagraph *i* of subparagraph *c* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *c* of the first paragraph of that section 1159.3.4, by the following subparagraph:

“i. 2.2% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year that precedes 1 April 2022 and the amount paid as wages in the part of the year that follows 31 March 2022, and”;

(5) by replacing subparagraph *i* of subparagraph *e* of the first paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the first paragraph of that section 1159.3.4, by the following subparagraph:

“i. 0.9% of the lesser of the amount by which its maximum amount subject to tax for the year exceeds the amount paid as wages in the part of the year in which the election was in effect that precedes 1 April 2022 and the amount paid as wages in the part of the year during which the election was in effect that follows 31 March 2022, and”;

(6) by replacing subparagraph *a* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a* of the second paragraph of that section 1159.3.4, by the following subparagraph:

“(a) in the case of a bank, a loan corporation (other than an independent loan corporation), a trust corporation (other than an independent trust corporation) or a corporation trading in securities (other than an independent corporation trading in securities), subject to subparagraph *d*, 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 follow 31 March 2022 and 4.14% 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 precede 1 April 2022;”;

(7) by replacing subparagraph *a.1* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *a.1* of the second paragraph of that section 1159.3.4, by the following subparagraph:

“(a.1) in the case of an independent loan corporation, an independent trust corporation or an independent corporation trading in securities, 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 follow 31 March 2022 and 1.32% 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 precede 1 April 2022;”;

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

“i. the proportion of 0.3% that the number of days in the taxation year during which the person was a financial institution that follow 31 March 2022 is of the number of days in the taxation year during which the person was a financial institution, and”;

(9) by replacing subparagraph *c* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *c* of the second paragraph of that section 1159.3.4, by the following subparagraph:

“(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 follow 31 March 2022 and 3.26% 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 precede 1 April 2022;” and”;

(10) by replacing subparagraph *e* of the second paragraph of section 1159.3 of the Act, enacted by subparagraph *d* of the second paragraph of that section 1159.3.4, by the following subparagraph:

“(e) in the case of a person who is not referred to in any of subparagraphs *a* to *d* and who made, with a person referred to in any of subparagraphs *a* to *d.1* of the first paragraph, an election under subsection 1 of section 150 of the Excise Tax Act that is in effect in the year, 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 and the election was in effect that follow 31 March 2022 and 1.32% 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 and in which the election was in effect that precede 1 April 2022.”

**158.** Section 1159.17 of the Act is amended by replacing subparagraph *e* of the second paragraph by the following subparagraph:

“(e) 0.3% in respect of a premium payable by a person after 31 March 2022.”

## ACT TO FACILITATE THE PAYMENT OF SUPPORT

**159.** Section 63 of the Act to facilitate the payment of support (chapter P-2.2) is amended by replacing “file an appeal” by “appeal”.

## ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

**160.** (1) The Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended by inserting the following section after section 12:

**“12.1.** Where any of the conditions for the issue of a document is not met, the responsible Minister or body may, despite the first paragraph of section 12, issue the document to the applicant, if the applicant establishes, to the satisfaction of the responsible minister or body, as the case may be, that the impossibility to meet the condition is directly attributable to the measures put in place to mitigate the effects of the COVID-19 pandemic.”

(2) Subsection 1 applies in relation to an application to be filed by a person or a partnership for a taxation year or a fiscal period, as the case may be, that ends after 14 March 2020.

**161.** (1) Section 5.9 of Schedule A to the Act is amended, in the first paragraph,

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

“(3) titles that encourage violence or sexism, racism or any other form of discrimination; and”;

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

“(4) titles that comprise explicit sex scenes or graphic representations of such scenes.”

(2) Paragraph 2 of subsection 1 applies in respect of an application for a qualification certificate that is filed for the purpose of benefiting from the tax credit for multimedia titles for a taxation year that begins after 25 March 2021. It also applies to a qualification certificate that was issued on 25 March 2021, or that is issued subsequently, for the purpose of benefiting from that tax credit for a taxation year that begins after that date.

**162.** (1) Section 6.9 of Schedule A to the Act is amended, in the first paragraph,

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

“(3) titles that encourage violence or sexism, racism or any other form of discrimination; and”;

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

“(4) titles that comprise explicit sex scenes or graphic representations of such scenes.”

(2) Paragraph 2 of subsection 1 applies in respect of an application for a certificate filed for a taxation year that begins after 25 March 2021.

**163.** (1) Section 13.5 of Schedule A to the Act is amended, in the second paragraph,

(1) by striking out “other” in subparagraph 2;

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

“(3) any activity that may reasonably be considered to be related to a digital platform that hosts content encouraging violence or sexism, racism or any other form of discrimination or comprising explicit sex scenes or graphic representations of such scenes or enables the sharing of such content, or that is intended to host or enable the sharing of such content, unless it is established to Investissement Québec’s satisfaction that

(a) reasonable measures have been taken by the corporation to ensure that the activities carried out by its employees are not related to such a platform, or

(b) all or substantially all of the content that is hosted or shared, or that is intended to be hosted or shared, does not constitute such content.”

(2) Subsection 1 applies to a taxation year that begins after 25 March 2021.

**164.** (1) Section 20.13 of Schedule A to the Act is amended by adding the following paragraphs at the end:

“(9) carrying out activities related to the publishing of software or games or the processing of data the content of which encourages violence or sexism, racism or any other form of discrimination or comprises explicit sex scenes or graphic representations of such scenes; and

“(10) carrying out activities related to the hosting of data or the design of computer systems that enable the hosting, production or sharing of content encouraging violence or sexism, racism or any other form of discrimination or comprising explicit sex scenes or graphic representations of such scenes, unless all or substantially all of the content that is hosted, produced or shared does not constitute such content or the qualified corporation establishes to Investissement Québec’s satisfaction that it has taken reasonable measures to ensure the funds are not used for such purposes.”

(2) Subsection 1 applies in respect of the funds deriving from the issue of shares of the capital stock of a corporation made after 25 March 2021.

**165.** Section 3.1 of Schedule C to the Act is amended by replacing the definition of “eligible employer” by the following definition:

““eligible employer” means a person or partnership who declares to the Minister that the person or partnership is carrying on a business in Canada and undertaking or causing to be undertaken on the person’s or partnership’s behalf in Québec scientific research and experimental development related to a business of the person or partnership and that the person or partnership is neither an eligible university entity within the meaning of section 2.1 of Schedule D, nor an eligible public research centre within the meaning of that section 2.1, nor a person exempt from tax under section 984 or 985 of the Taxation Act or that would be exempt from tax under that section 985 but for section 192 of that Act;”.

**166.** (1) Section 2.5 of Schedule E to the Act is replaced by the following section:

**“2.5.** A business certificate issued to a corporation certifies that the business that is referred to in the certificate and that is carried on by the corporation in the taxation year for which the application for the certificate is filed is recognized for that year, or for the part of that year that is specified in the certificate, as an international financial centre. It also specifies that the activities engaged in in the course of carrying on the business pertain to qualified international financial transactions or to one or more eligible contracts. In addition, it mentions the address of each qualified establishment of the corporation, within the meaning of section 4 of the Act respecting international financial centres, in which those activities are carried on.”

(2) Subsection 1 applies in respect of a business certificate that is issued to a corporation in relation to a taxation year that ends after 30 June 2021.

**167.** (1) Section 2.6 of Schedule E to the Act is amended by replacing subparagraph *b* of subparagraph 2 of the first paragraph by the following subparagraph:

“(b) the activities of the business that are referred to in subparagraph *a* and, if applicable, the activities of another business of the corporation that are referred to in subparagraph *a* of subparagraph 2 of the first paragraph of section 9.7 required, at all times, in each qualified establishment of the corporation, within the meaning of section 4 of the Act respecting international financial centres, in which those activities are carried on, the work of at least six individuals each of whom is recognized by the Minister as an eligible employee of the corporation, for all or part of the year or part of year, under an employee certificate or a certificate referred to in subparagraph 2 of the second paragraph of section 9.3 that the corporation obtained in respect of the employee for the year.”

(2) Subsection 1 applies in respect of a business certificate that is issued to a corporation in relation to a taxation year that ends after 30 June 2021.

**168.** (1) Section 8.1 of Schedule E to the Act is amended

(1) by replacing the portion of the definition of “start-up period” before paragraph 1 by the following:

““start-up period” of an investment project means, subject to the second paragraph, the 60-month period that begins on”;

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

“Where the application, in respect of an investment project, for a qualification certificate referred to in the first paragraph of section 8.3, or the application to amend such a qualification certificate under section 8.3.2 to have it refer to a second investment project, is filed before 25 March 2021 and, on that date, a first certificate referred to in the second paragraph of section 8.3 has not yet been issued in respect of the investment project, the definition of “start-up period” in the first paragraph is to be read, in respect of the project, as if “60-month” in the portion of that definition before paragraph 1 were replaced by “72-month”.”

(2) Subsection 1 has effect from 25 March 2021.

**169.** (1) Section 8.5 of Schedule E to the Act is amended by replacing the second paragraph by the following paragraph:

“Where the qualification certificate is issued under subparagraph 4 of the first paragraph of section 8.4, it also specifies that the Minister authorizes the transfer of the carrying out of any investment project referred to in the qualification certificate to the corporation or partnership and states both the date of the beginning of the tax-free period in relation to the project and the date of the end of the start-up period of the project that are mentioned in the first annual certificate that, if applicable, was obtained in its respect and that is deemed to have been issued to the corporation or partnership under subparagraph 3 of the first paragraph of that section.”

(2) Subsection 1 applies in relation to an initial qualification certificate that refers to an investment project in respect of which a first annual certificate was issued after 25 March 2021.

**170.** (1) Section 8.6 of Schedule E to the Act is amended

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

“**8.6.** Subject to section 8.6.3, the Minister issues an initial qualification certificate in respect of an investment project to a corporation or a partnership if”;

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

“(2) subject to the second paragraph, the project concerns, as applicable,

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

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

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

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

(e) activities consisting in the development of a digital platform described in section 8.6.0.1, or

(f) activities consisting in the digital transformation of a business of the corporation or partnership that are described in section 8.6.0.2; and”;

(3) by replacing all occurrences of “seventh” in subparagraph 3 of the first paragraph by “fifth”;

(4) by striking out the fifth and sixth paragraphs.

(2) Paragraph 1 of subsection 1 applies in respect of an investment project other than a project in respect of which an initial qualification certificate was issued before 26 March 2021.

(3) Paragraphs 2 to 4 of subsection 1 apply in respect of an investment project the carrying out of which begins after 25 March 2021.

**171.** (1) Schedule E to the Act is amended by inserting the following sections after section 8.6:

**“8.6.0.1.** A computer environment that enables content management or use and that, as an intermediary, enables access to information, services or property supplied or edited by the corporation or partnership operating it or by a third party constitutes a digital platform referred to in subparagraph *e* of subparagraph 2 of the first paragraph of section 8.6.

However, activities consisting in the development of a digital platform that hosts, or is intended to host, content encouraging violence or sexism, racism or any other form of discrimination, supporting an illegal activity, comprising explicit sex scenes or proposing online gambling are excluded from the activities referred to in subparagraph *e* of subparagraph 2 of the first paragraph of section 8.6, regardless of the source or nature of such content.

**“8.6.0.2.** The activities consisting in the digital transformation of a business that are referred to in subparagraph *f* of subparagraph 2 of the first paragraph of section 8.6 are activities that enable the development and implementation of a computing solution, through the integration or upgrading of an information system or a technology infrastructure, resulting in organizational changes in the business and changes to its operations. For those activities to be recognized as such, the computing solution must promote value creation in respect of all or part of the business.

In addition, the main objective or objectives of those activities must be to

(1) optimize the management and analysis of the business’s data and the use of its resources;

(2) increase the business’s productivity or efficiency through process automation; or

(3) improve relations with suppliers or customers by processing information in real time concerning them.

However, activities consisting in the digital transformation of a business do not include activities the carrying out of which entails the maintenance of the business’s assets or those that are carried on as part of the normal course of business.”

(2) Subsection 1 applies in respect of an investment project the carrying out of which begins after 25 March 2021.

**172.** (1) Schedule E to the Act is amended by inserting the following section after section 8.6.2:

**“8.6.3.** An initial qualification certificate may be issued in respect of an investment project that concerns activities in the data processing, hosting, and related services subsector that are referred to in subparagraph *d* of subparagraph 2 of the first paragraph of section 8.6 only if it is established to the Minister’s satisfaction that

(*a*) reasonable measures will be taken to ensure that the activities arising from the investment project do not consist in enabling the hosting, production or sharing of content encouraging violence or sexism, racism or any other form of discrimination or comprising explicit sex scenes or graphic representations of such scenes; or



(b) all or substantially all of the content that is hosted, produced or shared does not constitute content encouraging violence or sexism, racism or any other form of discrimination or comprising explicit sex scenes or graphic representations of such scenes.”

(2) Subsection 1 applies in respect of an investment project other than a project in respect of which an initial qualification certificate was issued before 26 March 2021.

**173.** (1) Section 8.7 of Schedule E to the Act is amended by adding the following paragraph at the end:

“Where an investment project concerns activities consisting in the digital transformation of a business, the expenditures of a capital nature that are used in computing the total capital investments attributable to its carrying out include only those that are incurred either to acquire digital equipment, software or other components of the technological infrastructure or information system or to adapt the business’s equipment to the computing solution.”

(2) Subsection 1 applies in respect of an investment project the carrying out of which begins after 25 March 2021.

**174.** (1) Section 8.8 of Schedule E to the Act is amended

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

“In the first annual certificate issued in respect of an investment project, the Minister specifies the date of the beginning of the corporation’s or partnership’s tax-free period in relation to the project and the date of the end of the start-up period of the project.”;

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

“Where the first annual certificate in respect of the investment project is issued after 25 March 2021, the date of the beginning of the tax-free period is the date elected by the corporation or partnership in accordance with the fifth paragraph or, if such an election has not been so made, the date of the end of the start-up period of the project. In any other case, the date is the earlier of

(1) the day that follows the end of the start-up period of the investment project; and

(2) the earlier of

(a) the date on which the corporation or partnership begins to carry on the activities arising from the carrying out of the project or, where the corporation or partnership gradually begins to carry on such activities, the date on which at least 90% of the goods intended to be used in the course of such activities are ready to be used, and

(b) the date on which the total capital investments attributable to the carrying out of the project is, for the first time, equal to or greater than

i. \$300,000,000, if subparagraph *a* of subparagraph 3 of the first paragraph of section 8.6 applies to the project,

ii. \$200,000,000, if subparagraph *b* of that subparagraph 3 applies to the project,

iii. \$75,000,000, if subparagraph *c* of that subparagraph 3 applies to the project,

iv. \$50,000,000, if subparagraph *c.1* of that subparagraph 3 applies to the project, or

v. \$100,000,000, if subparagraph *d* of that subparagraph 3 applies to the project.”;

(3) by adding the following paragraph at the end:

“The corporation or partnership elects the date of the beginning of its tax-free period, in relation to the investment project, by entering it in its application for a first annual certificate in respect of the project. The election is only valid if the date is included in the period that begins on the day on which the total capital investments attributable to the carrying out of the project is, for the first time, equal to or greater than the amount from among those specified in subparagraph *b* of subparagraph 2 of the third paragraph that applies to the project and that ends at the end of the start-up period of the project.”

(2) Paragraph 1 of subsection 1 applies in respect of a first annual certificate issued after 25 March 2021.

(3) Paragraphs 2 and 3 of subsection 1 have effect from 25 March 2021. In addition, where section 8.8 of Schedule E to the Act applies before that date in respect of an investment project for which an application for a first annual certificate is filed after 10 February 2015, subparagraph 1 of its second paragraph is to be read as if “of the investment project” were inserted at the end.

**175.** (1) Section 8.11 of Schedule E to the Act is amended by replacing the second paragraph by the following paragraph:

“The annual certificate includes the particulars provided for in the first paragraph of section 8.8 in respect of each investment project. In the case of the first annual certificate of the second investment project, the portion of the certificate that refers to it states the date of the beginning of the corporation’s or partnership’s tax-free period in relation to that project, determined in accordance with the third paragraph of that section, and the date of the end of the start-up period of the project.”

(2) Subsection 1 applies in respect of a first annual certificate issued after 25 March 2021.

**176.** (1) Section 9.6 of Schedule E to the Act is replaced by the following section:

**“9.6.** A business certificate issued to a corporation certifies that the business that is referred to in the certificate and that is carried on by the corporation in the taxation year for which the application for the certificate is filed is recognized for that year, or for the part of that year that is specified in the certificate, as an international financial centre. It also specifies that the activities engaged in in the course of carrying on the business pertain to qualified international financial transactions. In addition, it mentions the address of each qualified establishment of the corporation, within the meaning of section 4 of the Act respecting international financial centres, in which those activities are carried on.”

(2) Subsection 1 applies in respect of a business certificate that is issued to a corporation in relation to a taxation year that ends after 30 June 2021.

**177.** (1) Section 9.7 of Schedule E to the Act is amended by replacing subparagraph *b* of subparagraph 2 of the first paragraph by the following subparagraph:

**“(b)** the activities of the business that are referred to in subparagraph *a* and, if applicable, the activities of another business of the corporation that are referred to in subparagraph *a* of subparagraph 2 of the first paragraph of section 2.6 required, at all times, in each qualified establishment of the corporation, within the meaning of section 4 of the Act respecting international financial centres, in which those activities are carried on, the work of at least six individuals each of whom is recognized by the Minister as an eligible employee of the corporation, for all or part of the year or part of year, under an employee certificate or a certificate referred to in subparagraph 2 of the second paragraph of section 2.2 that the corporation obtained in respect of the employee for the year.”

(2) Subsection 1 applies in respect of a business certificate that is issued to a corporation in relation to a taxation year that ends after 30 June 2021.

**178.** Section 8.7 of Schedule H to the Act is amended by replacing paragraph 5 by the following paragraph:

**“(5)** a work that encourages violence or sexism, racism or any other form of discrimination; or”.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE  
DU QUÉBEC

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

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

““date of the end of the start-up period” of a large investment project of an employer means the date that is specified as such either in the first certificate that, for the purposes of this section and sections 34, 34.1.0.3 and 34.1.0.4, is issued by the Minister of Finance in relation to the large investment project or in the qualification certificate issued to the employer, in relation to the project, where the employer acquired all or substantially all of the recognized business in relation to the project and where the Minister of Finance authorized the transfer of the carrying out of the project to the employer, according to the qualification certificate;”;

(2) by inserting the following paragraphs after paragraph *p* of the definition of “specified period”:

“(p.1) the period that begins on 6 June 2021 and ends on 3 July 2021;

“(p.2) the period that begins on 4 July 2021 and ends on 31 July 2021;

“(p.3) the period that begins on 1 August 2021 and ends on 28 August 2021; or”;

(3) by replacing the definition of “total qualified capital investments” by the following definition:

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

(2) Paragraphs 1 and 3 of subsection 1 have effect from 26 March 2021.

**180.** (1) Section 34.1.0.4 of the Act is amended

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

“Subject to the second, fourth and fifth paragraphs, a partnership’s tax assistance limit, in relation to a large investment project, is 15% of the partnership’s total qualified capital investments on the date of the end of the start-up period of the large investment project, unless the partnership acquired all or substantially all of the recognized business in relation to the project, in which case it is the amount that was transferred to the partnership pursuant to the agreement referred to in section 737.18.17.12 of the Taxation Act (chapter I-3) in respect of the acquisition.”;

(2) by replacing all occurrences of “employer’s” in the second and third paragraphs by “partnership’s”;

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

“Where the partnership has begun to carry on the recognized business in relation to the large investment project in a fiscal period that ends before the date of the end of the start-up period of the project, the partnership’s tax assistance limit in relation to the project, for any fiscal period that ends before the date of the end of the start-up period of the project, is to be computed, under the first paragraph, on the date on which that fiscal period ends.

Where the partnership has acquired all or substantially all of the recognized business in relation to the large investment project before the date of the end of the start-up period of the project, the partnership’s tax assistance limit in relation to the project, for any fiscal period that ends on or after the date of the end of the start-up period of the project, is to be increased by an amount equal to the product obtained by multiplying by 15% the amount that would be the partnership’s total qualified capital investments on the date of the end of the start-up period if the definition of “total qualified capital investments” in the first paragraph of section 737.18.17.1 of the Taxation Act were read as if “from the beginning of the carrying out of the large investment project” were replaced by “from the time the corporation or partnership acquired the recognized business in relation to the large investment project”.

(2) Subsection 1 applies in relation to a large investment project in respect of which a first certificate was issued after 25 March 2021.

**181.** (1) Section 37.1 of the Act is amended

(1) by replacing the portion of the definition of “contribution rate” before paragraph *a* by the following:

““contribution rate” means the percentage applicable from 1 July of a particular year, or from 1 January 2021 in the case of subparagraph *i* of paragraph *c*, in respect of each of subparagraphs *i* and *ii* of subparagraphs *a* and *d* of the second paragraph of section 37.6, which”;

(2) by replacing paragraph *b* of the definition of “contribution rate” by the following paragraph:

“(b) for any year subsequent to the year 2007, other than the year 2021, is equal to the percentage applicable at 1 July of the year preceding that subsequent year or to such percentage as may be determined on 1 July of that subsequent year according to the rate of adjustment fixed annually by the Board pursuant to section 28.1 of the Act respecting prescription drug insurance, rounded to the nearest whole percentage point or, if equidistant from two percentage points, to the higher of the two; and”;

(3) by adding the following paragraph at the end of the definition of “contribution rate”:

“(c) for the year 2021, is equal to

i. the percentage determined on 1 January 2021 according to the rate of adjustment fixed by the Board pursuant to section 28.1 of the Act respecting prescription drug insurance, rounded to the nearest whole percentage point or, if equidistant from two percentage points, to the higher of the two, and

ii. the percentage determined on 1 July 2021 according to the rate of adjustment fixed by the Board pursuant to section 28.1 of the Act respecting prescription drug insurance, rounded to the nearest whole percentage point or, if equidistant from two percentage points, to the higher of the two;”;

(4) by replacing the definition of “average contribution rate” by the following definition:

““average contribution rate” means, for the purposes of any of subparagraphs i and ii of subparagraphs *a* and *d* of the second paragraph of section 37.6, a rate equal to

(*a*) for a particular year other than the year 2021, the contribution rate applicable from 1 July of the particular year in respect of that subparagraph added to the contribution rate applicable from 1 July of the preceding year in respect of that subparagraph, divided by two and rounded to the nearest whole percentage point or, if equidistant from two percentage points, to the higher of the two; or

(*b*) for the year 2021, the contribution rate applicable from 1 July 2021 in respect of that subparagraph added to the contribution rate applicable from 1 January 2021 in respect of that subparagraph, divided by two and rounded to the nearest whole percentage point or, if equidistant from two percentage points, to the higher of the two;”.

(2) Subsection 1 applies from the year 2021.

**182.** (1) Section 37.6 of the Act is amended by replacing “\$557” in subparagraphs i and ii of subparagraph *a* of the first paragraph by “\$710”.

(2) Subsection 1 applies from the year 2021. However, where section 37.6 of the Act applies to the year 2021, it is to be read as if “\$710” in subparagraph i of subparagraph *a* of the first paragraph were replaced by “\$662”.

## ACT RESPECTING THE QUÉBEC PENSION PLAN

**183.** Section 1 of the Act respecting the Québec Pension Plan (chapter R-9) is amended by replacing “new or” in paragraph *s* by “reassessment and an”.

**184.** Section 66 of the Act is amended by replacing “new assessment” in the first paragraph by “reassessment”.

## ACT RESPECTING THE QUÉBEC SALES TAX

**185.** Section 42.0.22 of the Act respecting the Québec sales tax (chapter T-0.1) is amended by replacing “brought” in the portion before paragraph 1 by “initiated”.

**186.** Section 42.0.24 of the Act is amended by replacing “en interjette appel” in the portion before paragraph 1 in the French text by “la porte en appel”.

**187.** (1) Section 81 of the Act is amended by replacing paragraph 7 by the following paragraph:

“(7) goods to the supply of which any of Divisions I to IV of Chapter IV, except paragraph 3.1 of section 178, or any of sections 198.1, 198.2 and 198.4 to 198.7 applies;”.

(2) Subsection 1 has effect from 7 December 2020. However, where section 81 of the Act applies before 2 June 2021, it is to be read as if paragraph 7 were replaced by the following paragraph:

“(7) goods to the supply of which any of Divisions I, II, III and IV of Chapter IV, except paragraph 3.1 of section 178, or any of sections 198.1, 198.2 and 198.7 applies;”.

**188.** (1) The Act is amended by inserting the following section after section 198.6:

“**198.7.** The following are zero-rated supplies:

(1) a supply of a face mask or respirator that is designed for human use and is authorized for medical use in Canada;

(2) a supply of a face mask or respirator that meets N95, KN95 or equivalent certification requirements, is designed for human use and does not have an exhalation valve or vent;

(3) a supply of

(a) a face mask or respirator that

i. is designed for human use,

ii. is made of multiple layers of dense material, but may have a portion in front of the lips made of transparent and impermeable material that permits lip reading provided that there is a tight seal between the transparent material and the rest of the face mask or respirator,

iii. is large enough to completely cover the nose, mouth and chin without gaping,

iv. has ear loops, ties or straps for securing the face mask or respirator to the head,

v. is for use in preventing the transmission of infectious agents such as respiratory viruses, and

vi. does not have an exhalation valve or vent, or

(b) a prescribed mask or respirator; and

(4) a supply of

(a) a face shield that is designed for human use, has a transparent and impermeable window or visor, covers the entire face and has a head strap or cap for holding it in place, but not including a supply of a face shield specifically designed or marketed for a use other than preventing the transmission of infectious agents such as respiratory viruses, or

(b) a prescribed shield.”

(2) Subsection 1 applies in respect of a supply made after 6 December 2020.

**189.** (1) The Act is amended by inserting the following section after section 541.26:

**“541.26.1.** Where in a reporting period a person who is not resident in Québec, does not carry on a business in Québec, within the meaning of section 1, and is not a registrant, within the meaning of that section, is required under the fourth paragraph of section 541.25 to collect the tax or the particular amount in respect of the supply of an accommodation unit and where the consideration for the supply is expressed in a foreign currency, the value of the consideration for the supply must, for the purpose of rendering an account of the tax or the particular amount under section 541.26, unless the second paragraph applies, be converted into Canadian currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.

A person to whom the first paragraph applies may elect to render an account of the tax or the particular amount, for a reporting period, in a prescribed foreign currency. In such a case, the amount to be remitted to the Minister by the person for the reporting period must be remitted in that same prescribed foreign currency.

Where a person elects under the second paragraph to render an account of the tax or the particular amount, for a reporting period, in a prescribed foreign currency and the value of the consideration for the supply of an accommodation unit is expressed in another foreign currency, the value of the consideration must be converted into the prescribed foreign currency using the exchange rate applicable on the last day of the reporting period or any other conversion method acceptable to the Minister.



For the purposes of this section, the conversion method used by a person for the purpose of rendering an account to the Minister of the tax or the particular amount for a reporting period and of remitting it to the Minister must be used consistently for at least 24 months.

Division II of Chapter I of Title I applies for the purpose of determining whether a person is resident in Québec.”

(2) Subsection 1 has effect from 1 January 2020.

**190.** (1) Section 677 of the Act is amended, in the first paragraph,

(1) by inserting the following subparagraph after subparagraph 23.1:

“(23.1.1) determine, for the purposes of section 198.7, the prescribed masks, respirators and shields;”;

(2) by replacing subparagraph 33.9 by the following subparagraph:

“(33.9) determine, for the purposes of section 350.63, the prescribed manner, prescribed information and prescribed cases and conditions;”;

(3) by inserting the following subparagraph after subparagraph 55.1:

“(55.1.0.1) determine, for the purposes of section 541.26.1, the prescribed foreign currencies;”.

(2) Paragraph 1 of subsection 1 has effect from 7 December 2020.

(3) Paragraph 2 of subsection 1 has effect from 1 December 2020.

(4) Paragraph 3 of subsection 1 has effect from 1 January 2020.

ACT TO IMPROVE THE PERFORMANCE OF THE SOCIÉTÉ DE  
L'ASSURANCE AUTOMOBILE DU QUÉBEC, TO BETTER REGULATE  
THE DIGITAL ECONOMY AS REGARDS E-COMMERCE,  
REMUNERATED PASSENGER TRANSPORTATION AND TOURIST  
ACCOMMODATION AND TO AMEND VARIOUS LEGISLATIVE  
PROVISIONS

**191.** (1) Section 135 of the Act to improve the performance of the Société de l'assurance automobile du Québec, to better regulate the digital economy as regards e-commerce, remunerated passenger transportation and tourist accommodation and to amend various legislative provisions (2018, chapter 18) is amended

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

“(5) sections 2, 4, 5, 7 and 8, paragraph 1 of section 9, sections 10 to 12 and 14 to 27, paragraphs 4 to 6 of section 28, paragraphs 2, 3 and 4 of section 29, section 30, paragraphs 2, 4 and 5 of section 31 and section 32, which come into force on the date or dates to be set by the Government;”;

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

“(6) paragraph 2 of section 60, which comes into force on 1 December 2020; and

“(7) sections 54 to 57 and 59, and section 87 to the extent that it amends section 60.4 of the Tax Administration Act (chapter A-6.002) to refer to paragraph 2 of section 350.62 of the Act respecting the Québec sales tax (chapter T-0.1), which come into force on 1 November 2021 or, if it precedes 1 November 2021, the date on which a person engaged in a taxi business first transmits to the Minister of Revenue, after 30 November 2020, the information referred to in section 350.62 of the Act respecting the Québec sales tax by means of the equipment described in section 350.61 of that Act.”

(2) Subsection 1 has effect from 12 June 2018.

#### MISCELLANEOUS, TRANSITIONAL AND FINAL PROVISIONS

**192.** Order in Council 1185-2020 dated 11 November 2020 (2020, G.O. 2, 3139), regarding the coming into force of certain provisions of the Act to improve the performance of the Société de l'assurance automobile du Québec, to better regulate the digital economy as regards e-commerce, remunerated passenger transportation and tourist accommodation and to amend various legislative provisions (2018, chapter 18), is repealed.

**[[193.** The following sums, arising from grant agreements for the repayment of the loans of beneficiaries regarding projects, which concern mainly infrastructure construction, are taken out of the Consolidated Revenue Fund:

(1) a sum of \$38,749,794,000 to the extent that the agreements from which the sum arises have been entered into during the 2019–2020 fiscal year at the latest and that the projects have been carried out in whole or in part during that year at the latest;

(2) a sum of \$1,842,103,000 to the extent that the projects are carried out in whole or in part during the 2020–2021 fiscal year; and

(3) a sum of \$7,361,569,000, representing the sums that are lacking and have not been otherwise provided for, for the 2021–2022 fiscal year, to the extent that the projects are carried out in whole or in part during that year.

The sums required to provide for any review of the sums specified in the first paragraph are also taken out of the Consolidated Revenue Fund.]]

**194.** The following excess expenditures and investments of special funds, arising from grant agreements for the repayment of the loans of beneficiaries regarding projects, which concern mainly infrastructure construction, to the extent that the projects are carried out in whole or in part on or before 31 March 2022, as well as any review of those excess expenditures and investments, are approved:

(1) for the 2020–2021 fiscal year, \$5,508,341,000 representing \$5,494,893,000 on 1 April 2020 and \$13,448,000 for that fiscal year; and

(2) for the 2021–2022 fiscal year, \$85,000,000.

[[The sums to provide for the payment of those expenditures and investments are taken out of the Consolidated Revenue Fund, out of the sums credited to the special fund for which an excess amount was recorded.]]

**195.** For the purpose of establishing the percentage to be determined in respect of a corporation, for a particular taxation year that ends after 30 June 2020 and before 1 July 2021, under section 771.0.2.4 of the Taxation Act (chapter I-3) or section 771.0.2.6 of that Act because of the application of subparagraph *b* of the first paragraph of that section 771.0.2.6, the corporation may elect to have the number of remunerated hours determined in accordance with the first paragraph of section 771.2.1.2.1 of that Act for the particular year be deemed to be equal to the number of remunerated hours determined, in its respect, in accordance with that first paragraph or this paragraph, as the case may be, for its preceding taxation year.

For the purpose of establishing the percentage to be determined in respect of a corporation, under section 771.0.2.4 of the Taxation Act or section 771.0.2.6 of that Act because of the application of subparagraph *b* of the first paragraph of that section 771.0.2.6, for a particular taxation year in which ends a particular fiscal period of a partnership of which the corporation is a member that ends after 30 June 2020 and before 1 July 2021, the corporation may elect to have the number of remunerated hours determined in accordance with the first paragraph of section 771.2.1.2.2 of that Act and determined in respect of the partnership’s employees for the particular fiscal period be deemed to be equal to the number of remunerated hours determined, in respect of the partnership’s employees, in accordance with that first paragraph, for the partnership’s preceding fiscal period.

A corporation makes an election under the first or second paragraph by enclosing an application to that effect with the fiscal return it is required to file under Part I of the Taxation Act for its particular taxation year or, if that fiscal return has already been sent, by filing an application to that effect with the Minister of Revenue.

**196.** For the purposes of the first paragraph of section 1029.8.61.24 of the Taxation Act, in relation to a particular month that is subsequent to the month of September 2021, an individual is presumed to have filed, in respect of an eligible dependent child within the meaning of section 1029.8.61.8 of the Act, amended by section *(insert the number of the section in this Act that amends section 1029.8.61.8 of the Taxation Act)* of this Act, an application for a family allowance with Retraite Québec within the time specified in that paragraph, if the individual ceased to receive, within the 12 months preceding 9 September 2021, an amount in respect of a family allowance in respect of that child by reason of non-compliance with the conditions relating to the contribution that was payable under the Regulation respecting the application of the Act respecting health services and social services for Cree Native persons (chapter S-5, r. 1) in respect of a child who is lodged or sheltered pursuant to the law and who meets either of the following conditions:

(1) on 9 September 2021, the eligible dependent child is lodged or sheltered pursuant to the law and the conditions relating to the contribution that was payable under that regulation were not complied with on 31 August 2021, in respect of the child; or

(2) the eligible dependent child was no longer lodged or sheltered after 31 August 2021.

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