AM 1
s. 4

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 4 **(sections 93.1.7, 93.1.9 and 93.1.11 of the Tax Administration Act)**

Replace "*a*.6" in subsection 1 by "*a*.7".

AM 2
s. 122

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 122 **(section 1010 of the Taxation Act)**

Insert after proposed paragraph *a*.6:

"(*a*.7) within six years after the day referred to in paragraph *a* or, in the case of a taxpayer referred to in paragraph *a*.0.1, within seven years after that day, if

i. the taxpayer, or a partnership of which the taxpayer is a member, has failed to file for the taxation year concerned the prescribed form in the manner and within the time specified in section 1079.8.15.10 or to report on the prescribed form the information required in respect of a designated foreign property, within the meaning of section 1079.8.15.8, held by the taxpayer at any time in the year, and

ii. the taxpayer has failed to report, in the taxpayer's fiscal return for the taxation year concerned, an amount in respect of a designated foreign property the taxpayer is required to include in computing income for the year; or".

AM 3
s. 123

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 123 **(section 1011 of the Taxation Act)**

Replace "*a*.6" in subsection 1 by "*a*.7".

Adopté

AM 4
s. 124

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 124 **(section 1014 of the Taxation Act)**

Replace "*a*.6" in subsection 1 by "*a*.7".

Adopté

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 135 **(section 1051 of the Taxation Act)**

Insert after proposed subparagraph *d*.4:

"(*d*.5) within the six years or seven years, as the case may be, following the end of the taxation year concerned, where paragraph *a*.7 of subsection 2 of section 1010 applies; or".

Adopté /2

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 136.1 **(Book X.2.2 of the Taxation Act (sections 1079.8.15.8 to 1079.8.15.15))**

Insert after section 136:

136.1. The Act is amended by inserting the following Book after section 1079.8.15.7:

"**BOOK X.2.2**

"REPORTING FOREIGN PROPERTY

"**TITLE I**

"INTERPRETATION

"**1079.8.15.8.** In this Book,

"designated foreign property" of a person or a partnership means, subject to the second paragraph, any property of the person or partnership that is

(*a*) funds or incorporeal property situated, deposited or held outside Canada;

(*b*) corporeal property situated outside Canada;

(*c*) a share of the capital stock of a corporation not resident in Canada;

(*d*) an interest in a trust not resident in Canada;

(*e*) an interest in a partnership that owns or holds designated foreign property;

(*f*) an interest in, or right with respect to, an entity not resident in Canada;

(*g*) indebtedness owed by a person not resident in Canada;

(*h*) a right in a property (other than a property owned by a corporation or trust that is not the person) that is designated foreign property, or a right to such property, under a contract either immediately or in the future and either absolutely or contingently; or

(*i*) property that, under the terms or conditions thereof or any agreement relating thereto, is convertible into, is exchangeable for or confers a right to acquire, designated foreign property;

"designated member" of a partnership for a fiscal period means a person that is a member of the partnership and that either is not resident in Canada or is referred to in any of subparagraphs i to vii of paragraph *a* of the definition of "designated Québec entity";

"designated Québec entity" for a taxation year or a fiscal period means, as the case may be,

(*a*) a taxpayer that, in a taxation year, is either an individual resident in Québec or a corporation resident in Canada that has an establishment in Québec, and is not

i. a mutual fund corporation,

ii. an investment corporation owned by persons not resident in Canada,

iii. a person (including a trust) all of whose taxable income for the year is exempt from tax under Part I,

iv. a mutual fund trust,

v. a trust described in any of subparagraphs *a* to *d* of the third paragraph of section 647,

vi. a corporation or trust that is a registered investment, within the meaning of subsection 1 of section 204.4 of the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.)), or

vii. a trust in which all the beneficial interests are held by one or more persons described in subparagraphs i to vi; or

(*b*) a partnership in respect of which the aggregate of all amounts, each of which is any of its designated members' share of the partnership's income or loss for the fiscal period, is less than 90% of that income or loss;

"exempt foreign trust" means

(*a*) a trust governed by a foreign retirement arrangement;

(*b*) a trust that meets the following conditions:

i. the trust is resident in a country whose laws provide for an income tax,

ii. the laws referred to in subparagraph i exempt the trust from payment of that tax to that country's government,

iii. either the trust is established principally as part of one or more plans or funds that are superannuation, pension or retirement funds or plans, or that are established to provide benefits in respect of the employees, or the trust's main purpose is to administer or provide benefits under one or more of those funds or plans, and

iv. the trust is either administered primarily for the benefit of individuals who are not resident in Canada or governed by a profit sharing plan; or

(*c*) a trust that meets the following conditions:

i. the trust is resident in Australia or New Zealand, as the case may be, for the purposes of the laws of those countries that provide for an income tax,

ii. the trust qualifies for a reduced rate of income tax under the laws of its country of residence referred to in subparagraph i,

iii. the trust is established principally for the purpose of administering or providing benefits under a superannuation, pension or retirement fund or plan, and

iv. the trust is maintained primarily for the benefit of individuals who are resident in Australia or New Zealand, as the case may be.

None of the following property of a person or partnership is a designated foreign property of the person or partnership:

(*a*) property that is used or held exclusively in the course of carrying on a business that would be an eligible business of the person or partnership if the person or partnership were a corporation resident in Canada;

(*b*) a share of the capital stock or indebtedness of a corporation not resident in Canada that is a foreign affiliate of the person or partnership for the purposes of section 233.4 of the Income Tax Act;

(*c*) an interest in, or indebtedness of, a trust not resident in Canada that is a foreign affiliate of the person or partnership for the purposes of section 233.4 of the Income Tax Act;

(*d*) an interest in a trust not resident in Canada that was not acquired for consideration by either the person or partnership or a person related to the person or partnership;

(*e*) an interest in an exempt foreign trust;

(*f*) an interest in a partnership that is either a designated Québec entity or a specified Canadian entity within the meaning of subsection 1 of section 233.3 of the Income Tax Act;

(*g*) a right with respect to, or indebtedness of, an authorized foreign bank that is issued by, and payable or otherwise enforceable at, a branch in Canada;

(*h*) personal-use property of the person or partnership; and

(*i*) a right in a property that is described in any of subparagraphs *a* to *h*.

For the purposes of paragraph *b* of the definition of "designated Québec entity" in the first paragraph, a partnership's income for a fiscal period is deemed to be equal to $1,000,000 where its income and loss are nil.

"**1079.8.15.9.** For the purposes of this Book, the following rules apply where a particular person is a member, or is deemed because of the application of this section to be a member, of a partnership (in this section referred to as the "interposed partnership") at the end of a fiscal period of the interposed partnership (in this section referred to as the "interposed fiscal period") and the interposed partnership is itself a member of a given partnership at the end of the given partnership's given fiscal period that ends in the interposed fiscal period:

(*a*) the particular person is deemed to be a member of the given partnership at the end of the given fiscal period; and (*b*) the agreed proportion in respect of the particular person for the given partnership's given fiscal period is deemed to be equal to the product obtained by multiplying the agreed proportion in respect of the particular person for the interposed partnership's interposed fiscal period by the agreed proportion in respect of the interposed partnership for the given partnership's given fiscal period.

"TITLE II

"REPORTING

"**1079.8.15.10.** Where, at a particular time when a designated Québec entity is, for the taxation year or fiscal period that includes that time, resident in Canada, the aggregate of all amounts each of which is the cost amount to the entity of a designated foreign property of the entity exceeds $100,000, the entity must file with the Minister, for the year or fiscal period, a return in the prescribed form containing prescribed information on or before the day that is

(*a*) where the entity is a partnership, the day on or before which an information return is required to be filed in respect of the fiscal period under section 1086R78 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) or would be required to be so filed if that section applied to the entity; and

(*b*) in any other case, the entity's filing-due date for the year.

"TITLE III

"PENALTIES

"**1079.8.15.11.** Every person or partnership who, knowingly or under circumstances amounting to gross negligence, fails to file the return the person or partnership is required to file under section 1079.8.15.10, in the manner and within the time specified in that section, incurs a penalty of up to $12,000, subject to the third paragraph, comprising a penalty of $500 for each month or part of a month the failure continues.

Every person or partnership who, knowingly or under circumstances amounting to gross negligence, fails to comply with a demand made under section 39 of the Tax Administration Act (chapter A-6.002) to file the return the person or partnership is required to file under section 1079.8.15.10 incurs, if the first paragraph does not apply and subject to the third paragraph, a penalty of $1,000 for each month or part of a month the failure continues, from the month in which the demand was sent to the person or partnership, up to $24,000.

The penalty incurred by the person or partnership under the first paragraph of section 59 of the Tax Administration Act must be subtracted from the penalty incurred under the first or second paragraph.

“**1079.8.15.12.** A person or partnership who incurs a penalty referred to in section 1079.8.15.11 and whose failure to file the return the person or partnership is required to file under section 1079.8.15.10 for a particular taxation year or fiscal period or to comply with a demand made under section 39 of the Tax Administration Act (chapter A-6.002) to file such a return continues for more than 24 months incurs, in addition to that penalty but subject to the second paragraph, a penalty equal to 5% of the greatest of all amounts each of which is the total of the cost amounts to the person or partnership at any time in the year or fiscal period of the designated foreign property of the person or partnership.

The total of the penalties incurred by the person or partnership under section 1079.8.15.11 and section 59 of the Tax Administration Act must be subtracted from the penalty incurred under the first paragraph.

“**1079.8.15.13.** Every person or partnership who, knowingly or under circumstances amounting to gross negligence makes or participates in, assents to or acquiesces in, the making of a false statement or omission in the return the person or partnership is required to file under section 1079.8.15.10 for a taxation year or fiscal period incurs a penalty equal to the greater of $24,000 and 5% of the greatest of all amounts each of which is the total of the cost amounts to the person or partnership at any time in the year or fiscal period of the designated foreign property of the person or partnership.

“**1079.8.15.14.** For the purposes of this Title, an act or omission of a member of a partnership in respect of a return the partnership is required to file under section 1079.8.15.10 is deemed to be an act or omission of the partnership in respect of the return.

“**1079.8.15.15.** Where a partnership incurs a penalty under any of sections 1079.8.15.11 to 1079.8.15.13, sections 1005 to 1014, 1034 to 1034.0.2, 1035 to 1044.0.2 and 1051 to 1055.1 apply, with the necessary modifications, in respect of the penalty as if the partnership were a corporation.”

Adopté

AM 7
s. 195

AMENDMENT

Bill 99

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE UPDATE ON QUÉBEC'S ECONOMIC AND FINANCIAL SITUATION PRESENTED ON 21 NOVEMBER 2024 AND IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

SECTION 195 **(Final provision)**

Replace by:

195. This Act comes into force on (*insert the date of assent to this Act*), except the following provisions, which come into force on the date or dates to be set by the Government:

(1) subsection 1 of section 4, where it adds, in sections 93.1.7, 93.1.9 and 93.1.11 of the Tax Administration Act (chapter A-6.002), a reference to paragraph *a*.7 of subsection 2 of section 1010 of the Taxation Act (chapter I-3);

(2) subsection 1 of section 122, where it enacts paragraph *a*.7 of subsection 2 of section 1010 of the Taxation Act;

(3) subsection 1 of section 123 and subsection 1 of section 124, where they respectively add, in sections 1011 and 1014 of the Taxation Act, a reference to paragraph *a*.7 of subsection 2 of section 1010 of that Act;

(4) subsection 1 of section 135, where it enacts paragraph *d*.5 of section 1051 of the Taxation Act; and

(5) section 136.1.

Adopté