NATIONAL ASSEMBLY OF QUÉBEC

SECOND SESSION FORTY-THIRD LEGISLATURE

Bill 6

An Act to give effect to fiscal measures announced in the Budget Speech delivered on 25 March 2025 and to certain other measures

Introduction

Introduced by
Mr. Eric Girard
Minister of Finance

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EXPLANATORY NOTES

This bill amends various Acts mainly to give effect to measures announced in the Budget Speech delivered on 25 March 2025. It also gives effect to fiscal measures announced in various Information Bulletins published by the Ministère des Finances in 2023, 2024 and 2025.

The Taxation Act, the Act respecting the sectoral parameters of certain fiscal measures, the Act respecting the Québec Pension Plan and the Regulation respecting the Taxation Act are amended to, in particular,

(1) maintain payment of a family allowance for the 12 months following the death of a child;

(2) modify or abolish certain measures relating to individuals in connection with the review of fiscal expenditures by the Government;

(3) introduce a new refundable tax credit for scientific research, experimental development and pre-commercialization to replace the tax credits currently provided for in these areas;

(4) modernize the tax credits for the development of e-business;

(5) revise the rates of the refundable tax credit relating to resources, provide for an eligible expense limit of 100 million dollars per 5-year period and, correspondingly, abolish additional deductions specific to the flow-through share system;

(6) introduce a deadline for additional deductions relating to public transit and shared transportation; and

(7) increase certain rates of the public utility tax and add new entities to the list of those that are exempt from it.

In addition, the Act constituting Capital régional et coopératif Desjardins and the Taxation Act are amended to, in particular, introduce a new class of shares giving entitlement to a tax credit and put in place a cumulative share purchase limit for shareholders.

The Fuel Tax Act is amended to abolish tax refunds in respect of biodiesel fuel.

The Tobacco Tax Act is amended to provide for new standards concerning the identification of loose tobacco.

In addition, the Tax Administration Act and the Taxation Act are amended to make amendments similar to those made to the Income Tax Act and the Excise Tax Act by federal bills assented to in 2024. Among other things, the amendments deal with the alternative minimum tax.

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);

– Act constituting Capital régional et coopératif Desjardins (chapter C-6.1);

– Act to establish Fondaction, 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 et des travailleuses du Québec (FTQ) (chapter F-3.2.1);

– Tobacco Tax Act (chapter I-2);

– Taxation Act (chapter I-3);

– 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);

– Fuel Tax Act (chapter T-1);

– Act to give effect to fiscal measures announced in the Budget Speech delivered on 12 March 2024 and to certain other measures (2024, chapter 41).

REGULATIONS AMENDED BY THIS BILL:

– Regulation respecting the Taxation Act (chapter I-3, r. 1);

– Regulation respecting the application of the Fuel Tax Act (chapter T-1, r. 1).

Bill 6

AN ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 25 MARCH 2025 AND TO CERTAIN OTHER MEASURES

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TAX ADMINISTRATION ACT

1. (1) Section 25 of the Tax Administration Act (chapter A-6.002) is amended by adding the following subparagraphs at the end of the second paragraph:

"(*c*) despite subparagraphs *a* and *b*, in the case of an assessment of the person's net tax for the person's reporting period that is made solely to take into account an amount of tax payable under section 218.01 of the Excise Tax Act (R.S.C. 1985, c. E-15), more than seven years after the later of

i. the date on which the return should have been filed, under any of sections 468 to 470.1 of the Act respecting the Québec sales tax (chapter T-0.1), for the reporting period, and

ii. the date on which the return was filed; or

"(*d*) despite subparagraphs *a* and *b*, in the case of an assessment of the person's tax payable under subparagraph 9 of the first paragraph of section 18 of the Act respecting the Québec sales tax, more than seven years after the later of

i. the date on which the return pertaining to that tax should have been filed, and

ii. the date on which the return was filed."

(2) Subsection 1 has effect from 4 August 2023.

ACT CONSTITUTING CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

2. (1) Section 4 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) is amended by replacing "or class "B"" in subparagraph 2 of the first paragraph by ", class "B" or class "C"".

(2) Subsection 1 has effect from 1 March 2025.

3. (1) Section 8.1 of the Act is amended, in the definition of "capitalization period",

(1) by inserting "and preceding 2025" after "2006" in paragraph 2;

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

"(3) a period that begins on 1 March of a year subsequent to 2024 and ends on the last day of February of the following year;".

(2) Subsection 1 has effect from 1 March 2025.

4. (1) Section 9 of the Act is amended

(1) by inserting "the fourth paragraph and" after "Subject to" in the first paragraph;

(2) by replacing "two" in the first paragraph by "three";

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

"No class "A" share or fractional share may be issued by the Société after 28 February 2025."

(2) Paragraphs 1 and 3 of subsection 1 have effect from 1 March 2025.

(3) Paragraph 2 of subsection 1 has effect from 17 February 2020.

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

"**9.2.** Subject to sections 10.2 and 19.0.1, the Société is authorized to issue class "C" shares without par value, automatically redeemable on a set date under section 14.1 and carrying the rights defined in section 123.40 of the Companies Act (chapter C-38), the right to elect three directors and the right of redemption defined in sections 12 and 14.

The Société is also authorized, subject to sections 10.2 and 19.0.1, to issue class "C" fractional shares without par value, automatically redeemable on a set date under section 14.1 and carrying proportionately the same rights as the shares of that class, except the voting rights attached to such shares."

(2) Subsection 1 has effect from 1 March 2025.

6. (1) The Act is amended by inserting the following section after section 10.1:

"**10.2.** The total amount of the subscription for the class "C" shares and fractional shares of the Société issued during a capitalization period described in paragraph 3 of the definition of that expression in section 8.1 may not exceed

(1) $150,000,000, where the capitalization period is the period that ends on 28 February 2026;

(2) $155,000,000, where the capitalization period is the period that ends on 28 February 2027;

(3) $160,000,000, where the capitalization period is the period that ends on 29 February 2028;

(4) $165,000,000, where the capitalization period is the period that ends on 28 February 2029;

(5) $170,000,000, where the capitalization period is the period that ends on 28 February 2030; or

(6) the lesser of $150,000,000 and the amount described in the second paragraph, where the capitalization period begins after 28 February 2030.

The amount referred to in subparagraph 6 of the first paragraph corresponds to the reduction in the total amount of the subscription for the issued and outstanding class "A", class "B" and class "C" shares and fractional shares of the Société that is attributable to the aggregate of such shares and fractional shares that were redeemed or purchased by agreement by the Société during the preceding capitalization period."

(2) Subsection 1 has effect from 1 March 2025.

7. (1) Section 11 of the Act is amended

(1) by replacing "to section 11.1" in the first paragraph by "to sections 11.1 and 11.2";

(2) by replacing all occurrences of "or class "B"" by ", class "B" or class "C"".

(2) Subsection 1 has effect from 1 March 2025.

8. (1) The Act is amended by inserting the following section after section 11.1:

"**11.2.** The acquisition, at a particular time, of class "C" shares or fractional shares of the Société by a person of full age is allowed only for an amount not exceeding the amount by which $45,000 exceeds the aggregate of all amounts each of which is an amount paid, before that time, to acquire a class "A", class "B" or class "C" share or fractional share of the Société, of which the person is the holder at that time or was the holder previously, and that is not

(1) a share or fractional share that has devolved to that person by succession;

(2) a share or fractional share that was redeemed by the Société under paragraph 3 of section 12;

(3) a share or fractional share purchased by the Société under a provision of the purchase by agreement policy referred to in the second paragraph of section 11 that allows the Société to purchase by agreement a share or fractional share it issued because no amount was deducted in respect of that share or fractional share under any of sections 776.1.5.0.11, 776.1.5.0.15.2, 776.1.5.0.15.4 and 776.1.5.0.15.7 of the Taxation Act (chapter I-3); or

(4) a class "A" share or fractional share that was transferred as consideration for a class "B" share or fractional share, unless subparagraph 2 or 3 applies in respect of that class "B" share or fractional share.

For the purposes of the first paragraph, the amount paid to purchase a class "B" share or fractional share of the Société corresponds to the value, determined under subparagraph 2 of the second paragraph of section 10.1, of the consideration that a person has paid or has undertaken to pay for the acquisition of that share or fractional share."

(2) Subsection 1 has effect from 26 March 2025.

9. (1) Section 12 of the Act is amended by replacing "or class "B"" in the portion before paragraph 1 by ", class "B" or class "C"".

(2) Subsection 1 has effect from 1 March 2025.

10. (1) The Act is amended by inserting the following section after section 14:

"**14.1.** Subject to the second paragraph of section 123.54 of the Companies Act (chapter C-38), the Société is bound to redeem class "C" shares or fractional shares on the last day (in this section referred to as the "set date") of the capitalization period that includes the day that is fourteen years after the day of their issue at a price corresponding to the price of redemption established, in accordance with the first paragraph of section 15, on 31 December preceding the set date."

(2) Subsection 1 has effect from 1 March 2025.

11. (1) Section 15 of the Act is amended

(1) by replacing "and class "B"" in the first paragraph by ", class "B" and class "C"";

(2) by inserting "or class "C"" after "class "A"" in subparagraph 1 of the fourth paragraph.

(2) Subsection 1 has effect from 1 March 2025.

12. (1) Section 19.0.1 of the Act is amended by replacing all occurrences of "class "A"" and "section 10" by "class "C"" and "section 10.2", respectively.

(2) Subsection 1 applies to a fiscal year that begins after 31 December 2023.

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

13. (1) Section 11 of the Act to establish Fondaction, le Fonds de développement de la Confédération des syndicats nationaux pour la coopération et l'emploi (chapter F-3.1.2) is amended by replacing paragraph 7 by the following paragraph:

"(7) at the request of a person who is a beneficiary under a registered retirement savings plan within the scope of which the share or fractional share has been transferred, if the person reaches 71 years of age in the year of the request and the request is made in anticipation of the maturity of the plan."

(2) Subsection 1 has effect from 1 June 2024.

ACT TO ESTABLISH THE FONDS DE SOLIDARITÉ DES TRAVAILLEURS ET DES TRAVAILLEUSES DU QUÉBEC (FTQ)

14. (1) Section 10 of the Act to establish the Fonds de solidarité des travailleurs et des travailleuses du Québec (FTQ) (chapter F-3.2.1) is amended by replacing paragraph 7 by the following paragraph:

"(7) at the request of a person who is a beneficiary under a registered retirement savings plan within the scope of which the share or fractional share has been transferred, if the person reaches 71 years of age in the year of the request and the request is made in anticipation of the maturity of the plan."

(2) Subsection 1 has effect from 1 June 2024.

TOBACCO TAX ACT

15. The Tobacco Tax Act (chapter I-2) is amended by inserting the following section after section 13.1.1:

"**13.1.1.1.** No retail vendor may transfer loose tobacco from a package to any other container."

16. The Act is amended by inserting the following section after section 13.16:

"**13.16.1.** Any retail vendor who contravenes section 13.1.1.1 incurs a penalty equal to the greater of $1,000 and three times the amount of tax that would have been payable under this Act if the tobacco referred to in that section had been sold by retail sale in Québec."

17. Section 13.17 of the Act is amended by replacing "13.16" in the portion before paragraph *a* by "13.16.1".

18. Section 14.2 of the Act is amended by inserting "13.1.1.1," after "7.9," in subparagraph *a* of the first paragraph.

TAXATION ACT

19. Section 38.1 of the Taxation Act (chapter I-3) is amended by inserting "and before 1 January 2028" after all occurrences of "23 March 2006" in the first paragraph.

20. Section 38.2 of the Act is amended by inserting ", before 1 January 2028," after "resulting from the use" in the first paragraph.

21. (1) Section 39.5 of the Act is amended by replacing subparagraph ii of paragraph *a* by the following subparagraph:

"ii. was as a teacher in an educational institution referred to in any of subparagraphs 1, 3 and 4 of subparagraph i of paragraph *a* of section 752.0.18.10 or in an educational institution that was, at the time the individual held such employment, a recognized educational institution within the meaning of section 752.0.18.10.3; and".

(2) Subsection 1 applies from 1 January 2026.

22. (1) Section 76 of the Act is repealed.

(2) Subsection 1 applies from the taxation year 2026.

23. Section 156.8 of the Act is amended

(1) by inserting "and before 1 January 2028" after all occurrences of "23 March 2006";

(2) by striking out both occurrences of ", valid after that date,".

24. Section 156.10 of the Act is amended by replacing the first paragraph by the following paragraph:

"A taxpayer may deduct, in computing income from a business for a taxation year, the aggregate of all amounts each of which is an amount that is otherwise deductible in computing that income for that taxation year in respect of the setting up or operation of a shared transportation service of the taxpayer and that is paid before 1 January 2028."

25. (1) Section 230.0.0.7 of the Act is amended by replacing "Division II.1" by "Division II.1 or II.4.1.1, as the case may be,".

(2) Subsection 1 has effect from 26 March 2025.

26. (1) Section 241.0.2 of the Act is amended, in the portion before paragraph *a*,

(1) by inserting "or class "C"" after "class "A"";

(2) by inserting "or 776.1.5.0.15.7, as the case may be," after the first occurrence of "776.1.5.0.11" and "or 776.1.5.0.15.7, as the case may be" after the second occurrence of "776.1.5.0.11".

(2) Subsection 1 has effect from 1 March 2025.

27. Section 311 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 311 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by striking out paragraph *e*.1.

28. (1) Section 336 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 336 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended

(1) by replacing "and *e* to *e*.6" in paragraph *d* by ", *e* and *e*.2 to *e*.6";

(2) by inserting the following paragraph after paragraph *d*.0.1:

"(*d*.0.2) an amount paid by the taxpayer in a year (in this paragraph referred to as the "subsequent year") that is after the year as a repayment of an amount that was included in computing the taxpayer's income for the year under any of paragraphs *a*, *c*, *c*.1, *e* and *e*.2 to *e*.6 of section 311 or section 317, to the extent that the amount paid

i. exceeds the taxpayer's taxable income for the subsequent year, determined without reference to paragraphs *d*, *d*.0.1 and *d*.1, and

ii. is not deducted in computing the taxpayer's taxable income for any other taxation year;".

(2) Paragraph 2 of subsection 1 applies from the taxation year 2019.

29. (1) Section 346.0.1 of the Act is amended by inserting "if the year precedes the taxation year 2026" after "income for the year" in the first paragraph.

(2) Subsection 1 has effect from 25 March 2025.

30. (1) Section 358.0.2 of the Act is amended by replacing subparagraph ii of paragraph *a* by the following subparagraph:

“ii. an educational institution that is, at the end of the taxation year for which the individual intends to have section 358.0.1 apply, a recognized educational institution within the meaning of section 752.0.18.10.3;”.

(2) Subsection 1 applies from 1 January 2026.

31. (1) Section 491 of the Act is amended, in subparagraph i of paragraph *g*,

(1) by replacing “the trust” in the portion before subparagraph 1 by “a trust”;

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

“(6) the Settlement Agreement entered into by His Majesty in right of Canada in respect of the class actions relating to First Nations Child and Family Services, Jordan’s Principle and Trout Class and dated effective as of 19 April 2023, and”.

(2) Subsection 1 has effect from 1 January 2024.

32. Section 595 of the Act is amended by inserting the following subparagraph after subparagraph iv of paragraph *a*:

“iv.1. determining an obligation of the trust to file a return under Book X.2.2,”.

33. (1) Section 694.0.2 of the Act is replaced by the following section:

“**694.0.2.** Despite section 7.19, a taxpayer shall, in computing taxable income for a taxation year, include any amount deducted in computing the taxpayer’s income for the year as a repayment of a particular amount the taxpayer included in computing income for a preceding taxation year, to the extent that the particular amount has been deducted in computing the taxpayer’s taxable income for that preceding taxation year or has been taken into account in computing an amount deducted under section 752.0.18.9.1 from the taxpayer’s tax otherwise payable for that preceding taxation year.”

(2) Subsection 1 applies from the taxation year 2026.

34. (1) Section 725 of the Act is amended by striking out paragraph *c*.2.

(2) Subsection 1 applies from the taxation year 2026.

35. Section 725.1.3 of the Act is amended by replacing the definition of “qualified corporation” by the following definition:

““qualified corporation” for a particular calendar year means, as the case may be,

(*a*) where the particular calendar year precedes the calendar year 2025, a corporation that meets the following conditions:

i. in the particular calendar year, the corporation operates a business in Québec and has an establishment in Québec,

ii. the assets shown in its financial statements submitted to the shareholders or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown had such financial statements been prepared in accordance with generally accepted accounting principles, for its taxation year that ended in the calendar year that precedes the particular calendar year or, if the corporation is in its first fiscal period, at the beginning of its first fiscal period, were less than $50,000,000, and

iii. an amount is deemed, under any of Divisions II, II.1, II.2.1, II.3 and II.3.0.1 of Chapter III.1 of Title III of Book IX, to have been paid to the Minister by the corporation for its taxation year that ended in the particular calendar year or for any of its three preceding taxation years;

(*b*) where the particular calendar year is the calendar year 2025, a corporation that, in the particular calendar year, operates a business in Québec and has an establishment in Québec, and that meets any of the following conditions:

i. the corporation is deemed to have paid an amount to the Minister under Division II.4.1.1 of Chapter III.1 of Title III of Book IX for its taxation year that ended in the particular calendar year, or

ii. for its taxation year that ended in the particular calendar year or for any of its three preceding taxation years,

(1) the corporation is deemed to have paid an amount to the Minister under any of Divisions II, II.1, II.2.1, II.3 and II.3.0.1 of Chapter III.1 of Title III of Book IX, and

(2) the assets shown in its financial statements submitted to the shareholders or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown if such financial statements had been prepared in accordance with generally accepted accounting principles, were less than $50,000,000; or

(*c*) where the particular calendar year is subsequent to the calendar year 2025, a corporation that, in the particular calendar year, operates a business in Québec and has an establishment in Québec, and that meets any of the following conditions:

i. the corporation is deemed to have paid an amount to the Minister under Division II.4.1.1 of Chapter III.1 of Title III of Book IX for its taxation year that ended in the particular calendar year, or

ii. for any of its three taxation years preceding the taxation year that ended in the particular calendar year,

(1) the corporation is deemed to have paid an amount to the Minister under Division II.4.1.1 of Chapter III.1 of Title III of Book IX, or

(2) the corporation is deemed to have paid an amount to the Minister under any of Divisions II, II.1, II.2.1, II.3 and II.3.0.1 of Chapter III.1 of Title III of Book IX and the assets shown in its financial statements submitted to the shareholders or, if such financial statements have not been prepared, or have not been prepared in accordance with generally accepted accounting principles, that would be shown had such financial statements been prepared in accordance with generally accepted accounting principles, were less than $50,000,000;".

36. Section 725.1.4 of the Act is amended by replacing the portion before paragraph *a* by the following:

"**725.1.4.** For the purposes of subparagraph ii of paragraph *a* of the definition of "qualified corporation" in section 725.1.3 and subparagraph 2 of subparagraph ii of paragraphs *b* and *c* of that definition, the following rules apply in computing a corporation's assets at the time referred to in whichever of those subparagraphs applies:".

37. Section 725.1.6 of the Act is amended by replacing "paragraph *b* of the definition of "qualified corporation" in section 725.1.3" by "subparagraph ii of paragraph *a* of the definition of "qualified corporation" in section 725.1.3 and subparagraph 2 of subparagraph ii of paragraphs *b* and *c* of that definition".

38. (1) The Act is amended by inserting the following section after section 726.4.10.4:

"**726.4.10.5.** Despite sections 726.4.10.1 to 726.4.10.4, where an expense referred to in subparagraph i of paragraph *a* of section 726.4.10 was incurred after 25 March 2025, the percentage of 33 1/3% mentioned in that paragraph *a* is to be replaced, in respect of the expense, by a percentage of 0%.

The first paragraph does not apply in respect of an expense incurred as a result of the issue of a flow-through share before 26 March 2025 or in respect of an expense incurred after 25 March 2025 as a result of

(*a*) an application for a receipt for the preliminary prospectus made on or before 25 March 2025, in relation to a flow-through share issued after that date but before 1 January 2026; or

(*b*) a public announcement made on or before 25 March 2025, in relation to a flow-through share issued after that date, if the report of distribution form is submitted to the Autorité des marchés financiers on or before 31 May 2025."

(2) Subsection 1 has effect from 25 March 2025.

39. (1) The Act is amended by inserting the following section after section 726.4.17.2.4:

"**726.4.17.2.5.** Despite sections 726.4.17.2.1 to 726.4.17.2.4, where an expense referred to in paragraph *a* of section 726.4.17.2 was incurred after 25 March 2025, the percentage of 33 1/3% mentioned in that paragraph *a* is to be replaced, in respect of the expense, by a percentage of 0%.

The first paragraph does not apply in respect of an expense incurred as a result of the issue of a flow-through share before 26 March 2025 or in respect of an expense incurred after 25 March 2025 as a result of

(*a*) an application for a receipt for the preliminary prospectus made on or before 25 March 2025, in relation to a flow-through share issued after that date but before 1 January 2026; or

(*b*) a public announcement made on or before 25 March 2025, in relation to a flow-through share issued after that date, if the report of distribution form is submitted to the Autorité des marchés financiers on or before 31 May 2025."

(2) Subsection 1 has effect from 25 March 2025.

40. (1) Section 726.20.1 of the Act is amended, in the definition of "resource property" in the first paragraph,

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

"(*a*) a flow-through share issued to the individual or partnership following a public announcement or pursuant to an agreement in writing entered into after 14 May 1992, as part of a public share issue, where the flow-through share was issued as part of such an issue, in respect of which the receipt for the final prospectus or the exemption from filing a prospectus was granted after that date, except for a flow-through share that was issued

i. following an investment made after 12 June 2003 or following an application for a receipt for the preliminary prospectus or an application for an exemption from filing a prospectus made after 12 June 2003 and that was acquired by the individual or partnership before 31 March 2004,

ii. following an application for a receipt for the preliminary prospectus where the flow-through share

(1) is issued after 31 December 2025, or

(2) is issued before 1 January 2026 and the application for a receipt for the preliminary prospectus is made after 25 March 2025, or

iii. following a public announcement made after 25 March 2025 or on or before that date if, in the latter case, the report of distribution form was submitted to the Autorité des marchés financiers after 31 May 2025;";

(2) by inserting “following a public announcement or” before “after 14 May 1992” in the portion of paragraph *b* before subparagraph i;

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

“ii. where the condition set out in subparagraph 2 of subparagraph i is met, the interest in the particular partnership was not acquired by the individual or partnership

(1) before 31 March 2004 following an investment made after 12 June 2003 or following an application for a receipt for the preliminary prospectus or an application for an exemption from filing a prospectus made after 12 June 2003,

(2) after 31 December 2025 following an application for a receipt for the preliminary prospectus, or before 1 January 2026 following an application for a receipt for the preliminary prospectus made after 25 March 2025, or

(3) following a public announcement made after 25 March 2025 or on or before that date if, in the latter case, the report of distribution form was submitted to the Autorité des marchés financiers after 31 May 2025;”.

(2) Subsection 1 has effect from 25 March 2025.

41. (1) Section 726.20.2 of the Act is amended

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

“**726.20.2.** An individual other than a trust may, in computing taxable income for a taxation year, deduct, if the individual was resident in Canada throughout the year and disposed of a resource property before 26 March 2025 or in accordance with the fifth paragraph, such amount as the individual may claim not exceeding the least of”;

(2) by adding the following subparagraph after subparagraph ii of subparagraph *a* of the first paragraph:

“iii. the expenses incurred as a consequence of the acquisition, after 25 March 2025, of a flow-through share or of an interest in a partnership were not referred to in that paragraph *a*, unless the flow-through share is issued, or the interest in the partnership is acquired,

(1) before 1 January 2026 following an application for a receipt for the preliminary prospectus made on or before 25 March 2025, or

(2) following a public announcement made on or before 25 March 2025, if the report of distribution form is submitted to the Autorité des marchés financiers on or before 31 May 2025;”;

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

"The disposition to which the first paragraph refers means a disposition that occurs after 25 March 2025 of a resource property that is

(*a*) a flow-through share issued before 1 January 2026, or an interest in a partnership acquired before that date, following an application for a receipt for the preliminary prospectus made on or before 25 March 2025; or

(*b*) a flow-through share issued, or an interest in a partnership acquired, following a public announcement made on or before 25 March 2025, if the report of distribution form is submitted to the Autorité des marchés financiers on or before 31 May 2025.

For the purposes of the exception provided for in subparagraph iii of subparagraph *a* of the first paragraph and in subparagraphs *a* and *b* of the fifth paragraph and in respect of the disposition of a resource property that is an interest in a partnership either acquired before 1 January 2026 following an application for a receipt for the preliminary prospectus made on or before 25 March 2025 or following a public announcement made on or before 25 March 2025 in respect of which the report of distribution form is submitted to the Autorité des marchés financiers on or before 31 May 2025, the flow-through share that is referred to in subparagraph 1 of subparagraph i of paragraph *b* of the definition of "resource property" in the first paragraph of section 726.20.1 and that relates to that resource property must also have been acquired by the partnership before 1 January 2026 and following the application for a receipt for the preliminary prospectus or following that public announcement."

(2) Subsection 1 has effect from 25 March 2025.

42. (1) Section 737.18.17.14 of the Act is amended

(1) in paragraph *a* of the definition of "territory with low economic vitality" in the first paragraph,

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

"(*a*) one of the following regional county municipalities, in respect of a corporation's or partnership's tax-free period, in relation to a large investment project:

i. Municipalité régionale de comté d'Abitibi-Ouest, except where the tax-free period begins before 20 June 2025,

i.1. Municipalité régionale de comté d'Antoine-Labelle,

i.2. Municipalité régionale de comté d'Argenteuil, except where the tax-free period begins after 30 June 2025,";

(*b*) by inserting the following subparagraphs after subparagraph x:

"x.1. Municipalité régionale de comté de L'Islet, except where the tax-free period begins before 20 June 2025,

"x.2. Municipalité régionale de comté de Manicouagan, except where the tax-free period begins before 20 June 2025,";

(*c*) by inserting the following subparagraph after subparagraph xii:

"xii.1. Municipalité régionale de comté de Matawinie, except where the tax-free period begins after 30 June 2025,";

(*d*) by inserting the following subparagraph after subparagraph xiii:

"xiii.1. Municipalité régionale de comté de Montmagny, except where the tax-free period begins before 20 June 2025,";

(*e*) by inserting ", except where the tax-free period begins after 30 June 2027" after "Papineau" in subparagraph xiv;

(*f*) by inserting ", except where the tax-free period begins before 1 April 2023 or after 30 June 2027" after "Témiscamingue" in subparagraph xvi;

(*g*) by inserting ", except where the tax-free period begins before 1 April 2023 or after 30 June 2027" after "Appalaches" in subparagraph xviii;

(*h*) by inserting ", except where the tax-free period begins after 30 June 2027" after "Etchemins" in subparagraph xx;

(2) by striking out the third paragraph.

(2) Subsection 1 has effect from 19 June 2025.

43. (1) Section 737.18.44 of the Act is amended

(1) by replacing the formula in subparagraph ii of subparagraph *e* of the second paragraph by the following formula:

"(M + N)/(O + P + Q)";

(2) by replacing the formula in subparagraph *f* of the second paragraph by the following formula:

"(R − S)/R";

(3) by replacing subparagraph 5 of subparagraph i of subparagraph *e* of the third paragraph by the following subparagraph:

"(5) the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, are described in neither subparagraph 3 nor subparagraph 4, but would be described in either of those subparagraphs if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec,";

(4) by replacing the portion of subparagraph ii of subparagraph *e* of the third paragraph before subparagraph 1 by the following:

"ii. where the year concerned begins after 31 December 2023 and before 26 March 2025, an amount equal to the lesser of the amount determined under subparagraph ii of subparagraph *f* for the year concerned and the total of";

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

"(5) the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, are described in neither subparagraph 3 nor subparagraph 4, but would be described in either of those subparagraphs if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec, or";

(6) by adding the following subparagraph at the end of subparagraph *e* of the third paragraph:

"iii. where the year concerned begins after 25 March 2025, an amount equal to the lesser of the amount determined under subparagraph iii of subparagraph *f* for the year concerned and the total of

(1) the portion of the corporation's expenditure relating to scientific research and experimental development activities, determined under section 1029.8.21.16.3 for the year concerned, that is attributable to scientific research and experimental development work that contributed directly to the creation, development or improvement of the particular asset, and

(2) the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation in the year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the

aggregate of all amounts each of which is the portion of a consideration that, for the year concerned, is not described in subparagraphs *c*, *e*, *g*, *i* and *j* of the first paragraph of section 1029.8.21.16.3, but would be if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec, and is attributable to such work that contributed directly to the creation, development or improvement of the particular asset;";

(7) by replacing subparagraphs 1 to 3 of subparagraph i of subparagraph *f* of the third paragraph by the following subparagraphs:

"(1) the aggregate of the amounts that would be described in subparagraph 1 of subparagraph i of subparagraph *e* for the year concerned if the wages paid by the corporation in respect of scientific research and experimental development work had been paid to employees of an establishment situated in Québec,

"(2) the aggregate of the amounts that would be described in subparagraph 2 of subparagraph i of subparagraph *e* for the year concerned if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec, and

"(3) 50% of the aggregate of the amounts that, for the year concerned, would be described in subparagraph 3 or 4 of subparagraph i of subparagraph *e* if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec,";

(8) by replacing subparagraph ii of subparagraph *f* of the third paragraph by the following subparagraph:

"ii. where the year concerned begins after 31 December 2023 and before 26 March 2025, the total of

(1) the aggregate of the amounts that would be described in subparagraph 1 of subparagraph ii of subparagraph *e* for the year concerned if the wages paid by the corporation in respect of scientific research and experimental development work had been paid to employees of an establishment situated in Québec,

(2) the aggregate of the amounts that would be described in subparagraph 2 of subparagraph ii of subparagraph *e* for the year concerned if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec, and

(3) 50% of the aggregate of the amounts that, for the year concerned, would be described in subparagraph 3 or 4 of subparagraph ii of subparagraph *e* if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec, or";

(9) by adding the following subparagraph at the end of subparagraph *f* of the third paragraph:

"iii. where the year concerned begins after 25 March 2025, the aggregate of the amounts that would be included in the corporation's expenditure relating to scientific research and experimental development activities, determined under section 1029.8.21.16.3 for the year concerned, if the scientific research and experimental development work undertaken by or on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec, and that are attributable to scientific research and experimental development work that contributed directly to the creation, development or improvement of the particular asset;";

(10) by replacing the portion of subparagraph *g* of the third paragraph before subparagraph ii by the following:

"(*g*) M is an amount equal to the lesser of the amount determined under subparagraph *i* in relation to the particular year and the total of

i. the aggregate of all amounts each of which is the amount of wages described in subparagraph *a* of the first paragraph of section 1029.7 for a taxation year (in this subparagraph *g* referred to as the "year concerned") that begins after 31 December 2023 and before 26 March 2025 and paid by the corporation in respect of scientific research and experimental development work that contributed directly to the creation, development or improvement of the particular asset,";

(11) by replacing subparagraph v of subparagraph *g* of the third paragraph by the following subparagraph:

"v. the aggregate of all amounts each of which is the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation for a year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, half of the aggregate of the amounts that, for the year concerned, are described in neither subparagraph iii nor subparagraph iv, but would be described in either of those subparagraphs if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec;";

(12) by replacing subparagraphs *h* to *j* of the third paragraph by the following subparagraphs:

"(*h*) N is an amount equal to the lesser of the amount determined under subparagraph *j* in relation to the particular year and the total of

i. the aggregate of all amounts each of which is the portion of the corporation's expenditure relating to scientific research and experimental development activities, determined under section 1029.8.21.16.3 for a taxation year (in this subparagraph *h* referred to as the "year concerned") that begins after 25 March 2025 and ends on or before the last day of the particular year, that is attributable to scientific research and experimental development work that contributed directly to the creation, development or improvement of the particular asset, and

ii. the aggregate of all amounts each of which is the product obtained by multiplying, by the proportion that the business carried on in Québec by the corporation for a year concerned is of the aggregate of its business carried on in Canada or in Québec and elsewhere in the year concerned, as determined under subsection 2 of section 771, the aggregate of all amounts each of which is the portion of a consideration that, for the year concerned, is not described in subparagraphs *c*, *e*, *g*, *i* and *j* of the first paragraph of section 1029.8.21.16.3, but would be if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec, and is attributable to such work that contributed directly to the creation, development or improvement of the particular asset;

"(*i*) O is the total of

i. the aggregate of the amounts that would be described in subparagraph i of subparagraph *g* for a taxation year (in this subparagraph *i* referred to as the "year concerned") that begins after 31 December 2023 and before 26 March 2025, if the wages paid by the corporation in respect of scientific research and experimental development work had been paid to employees of an establishment situated in Québec,

ii. the aggregate of the amounts that would be described in subparagraph ii of subparagraph *g* for a year concerned if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec, and

iii. 50% of the aggregate of the amounts that would be described in subparagraph iii or iv of subparagraph *g* for a year concerned if the scientific research and experimental development work undertaken on behalf of the corporation had been undertaken in Québec by employees of an establishment situated in Québec;

"(*j*) P is the aggregate of the amounts that would be included in the corporation's expenditure relating to scientific research and experimental development activities, determined under section 1029.8.21.16.3 for a taxation year that begins after 25 March 2025 and ends on or before the last day of the particular year, if the scientific research and experimental development work undertaken by or on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec, and that are attributable to scientific research and experimental development work that contributed directly to the creation, development or improvement of the particular asset;

"(*k*) Q is

i. if the amounts determined under subparagraphs *i* and *j* are nil, $1, or

ii. in any other case, $0;

"(*l*) R is the basic rate determined in respect of the corporation for the particular year under section 771.0.2.3.1; and

"(*m*) S is 2%.";

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

"Where a corporation has incurred an amount described in any of subparagraphs i to iii of subparagraph *f* of the third paragraph for the first time in the particular year or any of the five preceding taxation years, subparagraph i of subparagraph *e* of the second paragraph is to be read as if "seven" were replaced by the number of taxation years included in the period that begins at the beginning of the taxation year in which the corporation first incurred such an amount and ends at the end of the particular year.";

(14) by replacing "*h*" in the portion of the fifth paragraph before subparagraph *a* by "*j*".

(2) Subsection 1 applies to a taxation year that begins after 25 March 2025. In addition, where section 737.18.44 of the Act applies to a taxation year that begins before 26 March 2025, it is to be read as if all occurrences of "if all the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec" were replaced by "if the scientific research and experimental development work undertaken on behalf of the corporation outside Québec had been undertaken in Québec by employees of an establishment situated in Québec".

44. (1) Section 737.22.0.0.1 of the Act is amended by replacing the definition of "eligible employer" in the first paragraph by the following definition:

""eligible employer" means an eligible public research centre within the meaning of section 1029.8.21.16.1 or an eligible university entity within the meaning of that section;".

(2) Subsection 1 has effect from 26 March 2025.

45. (1) The Act is amended by inserting the following chapter after section 752.0.10.0.10:

"**CHAPTER I.0.2.0.5**

"TAX CREDIT FOR THE RESIDENCE OF A MEMBER OF THE CLERGY OR OF A RELIGIOUS ORDER

"**752.0.10.0.11.** An individual who, in a taxation year, is a member of the clergy or of a religious order or a regular minister of a religious denomination, and is in charge of or ministering to a diocese, parish or congregation or engaged exclusively in full-time administrative service by appointment of a religious order or religious denomination may deduct, from the individual's tax otherwise payable for the year under this Part, an amount equal to the product obtained by multiplying, by the percentage specified in paragraph *a* of section 750 that is applicable for the year, the amount, not exceeding the individual's remuneration for the year from the office or employment, that is

(*a*) an amount equal to the aggregate of all amounts, including amounts in respect of utilities, included in computing the individual's income for the year under Chapter II of Title II of Book III, in relation to the residence or another living accommodation occupied by the individual because of the individual's office or employment; or

(*b*) an amount, not exceeding the amount determined under the second paragraph, that is equal to the total of the rent and expenses in respect of utilities paid by the individual for the individual's principal place of residence or for another principal living accommodation ordinarily occupied during the year by the individual, or to the fair rental value of such a residence or living accommodation, including the value of utilities, owned by the individual or the individual's spouse, to the extent that the individual is required to use that residence or other living accommodation, as the case may be, in performing the duties of the individual's office or employment.

The amount to which subparagraph *b* of the first paragraph refers is the lesser of

(*a*) the greater of

i. the product obtained by multiplying $1,000 by the number of months in the year during which the individual is a member or a minister referred to in the first paragraph, not exceeding $10,000, and

ii. one-third of the individual's remuneration for the year from the office or employment; and (*b*) the amount by which the total of the rent paid or the fair rental value in respect of the residence or living accommodation and expenses in respect of utilities exceeds the aggregate of all amounts each of which is, to the extent that the amount can reasonably be considered to relate to all or part of the period in respect of which an amount is claimed as a deduction by the individual under the first paragraph,

i. an amount deducted, in respect of the residence or living accommodation, in computing a particular individual's income from an office or employment or from a business, or

ii. the product obtained by multiplying by 100/14 the amount deducted, in respect of the residence or living accommodation, under the first paragraph, from the tax otherwise payable under this Part by a particular individual, other than the amount deducted under the first paragraph by the individual.

No amount may be deducted for the year by an individual under the first paragraph unless the individual files with the Minister, together with the individual's fiscal return for the year under this Part, a prescribed form in which the individual's employer confirms that the conditions set out in that paragraph were met in the year in respect of the individual."

(2) Subsection 1 applies from the taxation year 2026.

46. (1) Section 752.0.10.1 of the Act is amended by replacing the definition of "patronage gift" in the first paragraph by the following definition:

""patronage gift" of an individual, other than a trust, means a gift of money made in the same taxation year by the individual after 3 July 2013, or by the individual's succession after 31 December 2015, to an eligible cultural donee if

(*a*) the gift is made, before 26 March 2035, in satisfaction of a registered pledge and its eligible amount is at least $25,000; or

(*b*) where paragraph *a* does not apply, the gift is made before 26 March 2025 and its eligible amount is at least $250,000;".

(2) Subsection 1 has effect from 26 March 2025.

47. (1) Section 752.0.10.15.4 of the Act is amended by replacing the portion of the second paragraph before subparagraph *a* by the following:

"At a donor's request made before 26 March 2025, the Minister of Culture and Communications shall record in the register the pledge made by the donor after 3 July 2013 and before 26 March 2025 to an eligible cultural donee and assign a registration number in respect of that pledge if".

(2) Subsection 1 has effect from 26 March 2025.

48. (1) Section 752.0.18 of the Act is amended by striking out subparagraph *b* of the first paragraph.

(2) Subsection 1 applies from 1 January 2026.

49. (1) The Act is amended by inserting the following chapter after section 752.0.18.9:

"**CHAPTER I.0.3.2.1**

"TAX CREDIT RELATING TO ADULT BASIC EDUCATION TUITION FEES ASSISTANCE

"**752.0.18.9.1.** An individual may deduct from the individual's tax otherwise payable for a taxation year under this Part an amount equal to the amount obtained by multiplying, by the percentage specified in paragraph *a* of section 750 that is applicable for the year, the aggregate of all amounts each of which is an amount that

(*a*) is received by the individual in the year under a program referred to in paragraph *e*.3 or *e*.4 of section 311, a program established under the Department of Employment and Social Development Act (S.C. 2005, c. 34) or a prescribed program;

(*b*) is financial assistance for the payment of tuition fees of the individual that are not included in computing an amount deductible under section 752.0.18.10 in computing the individual's tax payable under this Part for any taxation year;

(*c*) is included in computing the individual's income for the year; and

(*d*) is not deductible in computing the individual's taxable income for the year."

(2) Subsection 1 applies from the taxation year 2026.

50. (1) Section 752.0.18.10 of the Act is amended by replacing subparagraph 2 of subparagraph i of paragraph *a* by the following subparagraph:

"(2) an educational institution that is, at the end of the year in respect of which those fees were paid, a recognized educational institution within the meaning of section 752.0.18.10.3,".

(2) Subsection 1 applies from 1 January 2026.

51. (1) The Act is amended by inserting the following sections after section 752.0.18.10.2:

"**752.0.18.10.3.** In this chapter, a recognized educational institution, at any time, means

(*a*) where that time is before 1 January 2026, an educational institution in Canada that the Minister has recognized, before that time, to be an institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in, an occupation and the recognition of which is valid at that time; and

(*b*) where that time is subsequent to 31 December 2025, an educational institution in Canada in respect of which the following conditions are met:

i. it has filed an application with the Minister in the prescribed form containing prescribed information to be recognized as an institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in, an occupation and it has been, before that time, recognized as such by the Minister under section 752.0.18.10.4, and

ii. the recognition granted to it by the Minister under section 752.0.18.10.4 is valid at that time.

"**752.0.18.10.4.** The Minister may, following the receipt of an application described in subparagraph i of paragraph *b* of section 752.0.18.10.3 filed by an educational institution, recognize that educational institution to be an institution providing courses, other than courses designed for university credit, that furnish a person with skills for, or improve a person's skills in, an occupation if

(*a*) the educational institution

i. receives from the State or His Majesty in right of Canada or a province, other than Québec, funding or other logistical support,

ii. is a private educational institution providing at least one training program equivalent to one provided by a public educational institution,

iii. provides at least one training program for a profession or trade requiring a certificate of qualification or a licence issued by a federal or provincial government authority, or

iv. provides at least one training program leading to a professional status recognized under the Professional Code (chapter C-26); and

(*b*) where the educational institution provides training in the health sector, that training is aimed solely at individuals who are practitioners within the meaning of section 752.0.18 or who are in the process of becoming such practitioners.

“**752.0.18.10.5.** The recognition granted by the Minister to an educational institution under section 752.0.18.10.4 is valid until the earlier of

(*a*) the end of the fourth calendar year following that in which the recognition was granted; and

(*b*) the date on which any revocation of the recognition takes effect.

An educational institution the recognition of which is no longer valid must, to qualify once again as a recognized educational institution under paragraph *b* of section 752.0.18.10.3, again file with the Minister in the prescribed form containing prescribed information an application described in subparagraph i of that paragraph *b*.

“**752.0.18.10.6.** An educational institution that holds a recognition granted by the Minister under section 752.0.18.10.4 and ceases its activities or no longer meets one of the conditions set out in paragraph *a* of section 752.0.18.10.4 or, if it is an educational institution providing training in the health sector, the condition set out in paragraph *b* of that section, is required to notify the Minister in writing as soon as possible.

“**752.0.18.10.7.** The Minister may revoke the recognition granted by the Minister to an educational institution under section 752.0.18.10.4, where the educational institution

(*a*) so requests;

(*b*) ceases its activities; or

(*c*) no longer meets one of the conditions set out in paragraph *a* of section 752.0.18.10.4 or, where the educational institution provides training in the health sector, the condition set out in paragraph *b* of that section.

The revocation takes effect from the date indicated by the Minister in the notice sent to the educational institution.”

(2) Subsection 1 applies in respect of an application filed by an educational institution to qualify as a recognized educational institution after 31 December 2025.

52. (1) Section 752.0.18.14 of the Act is replaced by the following section:

“**752.0.18.14.** Where an individual is absent from Canada but resident in Québec for all or part of a taxation year in respect of which tuition fees are paid, subparagraph 1 of subparagraph i of paragraph *a* of section 752.0.18.10, paragraph *a* of section 752.0.18.10.3 and the portion of paragraph *b* of section 752.0.18.10.3 before subparagraph i are to be read, in relation to fees paid in respect of that year, without reference to “in Canada”.”

(2) Subsection 1 applies from 1 January 2026.

53. (1) Section 752.0.22 of the Act is amended by inserting "752.0.10.0.11, 752.0.18.9.1," after "752.0.10.0.9,".

(2) Subsection 1 applies from the taxation year 2026.

54. (1) Section 752.0.24 of the Act is amended

(1) by replacing both occurrences of "752.0.10.0.9" in the portion of subparagraph *a* of the first paragraph before subparagraph ii by "752.0.10.0.11";

(2) by inserting "752.0.18.9.1," after "752.0.18.8," in subparagraph i of subparagraph *a* of the first paragraph;

(3) by replacing "752.0.10.0.7" in subparagraph *b* of the first paragraph and in the second paragraph by "752.0.10.0.7, 752.0.10.0.11".

(2) Subsection 1 applies from the taxation year 2026.

55. (1) Section 752.0.25 of the Act is amended by inserting "752.0.10.0.11," after "under sections" in subparagraph *b* of the second paragraph.

(2) Subsection 1 applies from the taxation year 2026.

56. (1) Section 752.0.27 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 752.0.27 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by inserting ", 752.0.10.0.11" after "752.0.10.0.7" in the portion before subparagraph *a* of the first paragraph.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2025.

57. (1) Section 752.12 of the Act is amended by striking out ", 776, 776.1.1 to 776.1.5 and 776.1.5.0.11 to 776.1.5.0.15.5" in paragraph *b*.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

58. (1) Section 752.14 of the Act is amended by striking out ", 776, 776.1.1 to 776.1.5 and 776.1.5.0.11 to 776.1.5.0.15.5".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

59. (1) Section 776 of the Act is amended by replacing "for a taxation year under this Part" in the portion before subparagraph *a* of the first paragraph by "under this Part for a taxation year preceding the taxation year 2026".

(2) Subsection 1 has effect from 25 March 2025.

60. (1) Section 776.1.5.0.6 of the Act is amended by striking out “under section 776.1.5.0.7 or 776.1.5.0.8” in paragraph *a* of the definition of “specified balance” in the first paragraph.

(2) Subsection 1 applies from the taxation year 2024.

61. (1) Section 776.1.5.0.7 of the Act is amended

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

“[(A − B)/(10 – C)] – D”;

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

“(*b*) B is, where the particular taxation year is the first taxation year included in a repayment period of the individual, an amount equal to zero and, in any other case, the aggregate of all amounts each of which is”;

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

“(*d*) D is

i. where the particular taxation year is the first taxation year included in a repayment period of the individual, the aggregate of all amounts each of which is an amount paid by the individual on the acquisition of replacement shares in a taxation year preceding the particular taxation year or within 60 days after the end of that preceding year, other than a taxation year included in a participation period of the individual that ended before the particular taxation year, or

ii. in any other case, an amount equal to zero.”

(2) Subsection 1 applies from the taxation year 2024.

62. (1) Sections 776.1.5.0.8 and 776.1.5.0.9 of the Act are amended by striking out “under section 776.1.5.0.7” in paragraph *a*.

(2) Subsection 1 applies from the taxation year 2024.

63. (1) Section 776.1.5.0.10.1 of the Act is amended by inserting “and before 2025” after “2020” in subparagraph *h* of the first paragraph.

(2) Subsection 1 has effect from 1 March 2025.

64. (1) The Act is amended by inserting the following division after section 776.1.5.0.15.5:

"**DIVISION III**

"CREDIT RELATING TO THE ACQUISITION OF CLASS "C" SHARES ISSUED BY CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS

"**776.1.5.0.15.6.** In this division, "acquisition period" means a period that begins on 1 March of a year after 2024 and ends on the last day of February of the following year.

For the purposes of the definition of "acquisition period" in the first paragraph, where the last day of February of a year is a statutory holiday, the day immediately before the statutory holiday is deemed to be the last day of that month.

"**776.1.5.0.15.7.** Subject to section 776.1.5.0.15.8, an individual, other than a trust, who is resident in Québec at the end of 31 December of a particular taxation year and who is not a dealer acting as an intermediary or firm underwriter may deduct from the individual's tax otherwise payable for the particular year under this Part, if the individual encloses the document described in the second paragraph with the fiscal return the individual is required to file for the particular year under section 1000, an amount equal to the lesser of $1,250 and the product obtained by multiplying by 25% the aggregate of all amounts each of which is an amount paid by the individual in an acquisition period beginning in the particular year for the purchase, as first purchaser, of a class "C" share of the capital stock of the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1).

The document to which the first paragraph refers is a copy of the prescribed form the individual received, in respect of the share, from the corporation governed by the Act constituting Capital régional et coopératif Desjardins.

"**776.1.5.0.15.8.** No individual may deduct, for a particular taxation year, an amount under section 776.1.5.0.15.7 in respect of an amount paid by the individual in the acquisition period referred to in the first paragraph of that section for the acquisition of a share referred to in that section if

(*a*) during that period or within the following 30 days, the individual requested redemption of the share in accordance with paragraph 3 of section 12 of the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1); or

(*b*) the corporation governed by the Act constituting Capital régional et coopératif Desjardins, before 1 March of the year following the particular year, in relation to another share of its capital stock held by the individual,

i. redeems the share in accordance with paragraph 1 or 4 of section 12 or with section 14.1 of that Act, or

ii. purchases the share in accordance with the purchase by agreement policy approved by the Minister of Finance under the second paragraph of section 11 of that Act, except where the purchase is made in accordance with a provision of that policy under which the corporation may purchase by agreement a share it issued because no amount was deducted in respect of the share under any of sections 776.1.5.0.11, 776.1.5.0.15.2, 776.1.5.0.15.4 and 776.1.5.0.15.7.

"**776.1.5.0.15.9.** For the purposes of this division, an amount paid for the purchase of a class "C" share of the capital stock of the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1) consists solely of the issue price paid in respect of that share."

(2) Subsection 1 has effect from 1 March 2025.

65. (1) The heading of Title III.4 of Book V of Part I of the Act is replaced by the following heading:

"TAX CREDIT FOR THE DEVELOPMENT OF E-BUSINESS INTEGRATING ARTIFICIAL INTELLIGENCE FUNCTIONALITIES".

(2) Subsection 1 applies from 1 January 2026.

66. (1) Section 776.1.20 of the Act is amended by replacing the second paragraph by the following paragraphs:

"The percentage to which the first paragraph refers is, as the case may be,

(*a*) where the taxation year begins before 1 January 2025, 6%;

(*b*) where the taxation year begins after 31 December 2024 but before 1 January 2026, 7%;

(*c*) where the taxation year begins after 31 December 2025 but before 1 January 2027, either

i. 4%, if the total of the proportions described in the third paragraph is at least 50%, or

ii. 8%, in any other case;

(*d*) where the taxation year begins after 31 December 2026 but before 1 January 2028, either

i. 4.5%, if the total of the proportions described in the third paragraph is at least 50%, or

ii. 9%, in any other case; or

(*e*) where the taxation year begins after 31 December 2027, either

i. 5%, if the total of the proportions described in the third paragraph is at least 50%, or

ii. 10%, in any other case.

The proportions to which subparagraph i of each of subparagraphs *c* to *e* of the second paragraph refers are the proportions of the corporation's gross revenue that, in accordance with subparagraphs 3 and 4 of the third paragraph of section 13.3 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1), are specified, if applicable, in the certificate referred to in the first paragraph of section 1029.8.36.0.3.80 that was issued to the corporation for the taxation year."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2025.

67. (1) Section 776.41.5 of the Act is amended by replacing "752.0.10.6.1," in subparagraphs *a* and *b* of the second paragraph by "752.0.10.0.11, 752.0.10.6.1, 752.0.18.9.1,".

(2) Subsection 1 applies from the taxation year 2026.

68. (1) Section 776.41.21 of the Act is amended, in subparagraph *b* of the second paragraph,

(1) by inserting "752.0.10.0.11," after "752.0.10.0.9,";

(2) by inserting "752.0.18.9.1," after "752.0.18.8,".

(2) Subsection 1 applies from the taxation year 2026.

69. (1) Section 776.45 of the Act is amended by replacing paragraph *d*.1 by the following paragraph:

"(*d*.1) a taxation year of a trust throughout which the trust is

i. a trust referred to in any of paragraphs *a*, *e*, *f*, *h*, *o* and *q* of subsection 2.2 of section 1000,

ii. an investment fund within the meaning of section 21.0.5, unless the trust qualifies as an investment fund because of or in connection with a transaction or event or series of transactions or events one of the main purposes of which is to avoid tax under this Book,

iii. an irrevocable trust in respect of which the following conditions are met:

(1) each beneficiary under the trust is a person exempt from tax under this Book or a person that is a trust described in this subparagraph iii,

(2) no person (other than a person described in subparagraph 1) can be added as a beneficiary under the trust, and

(3) all interests in the trust are fixed interests within the meaning of the first paragraph of section 593,

iv. a trust that is exempt from tax under this Part,

v. a trust referred to in section 851.25, or

vi. a unit trust if the total fair market value of the units of the trust that are listed on a designated stock exchange represents all or substantially all of the total fair market value of all the units of the trust; and".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

70. (1) Section 776.46 of the Act is amended, in the second paragraph,

(1) by striking out "or a subsequent year" in subparagraph vi of subparagraph *a*;

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

"vii. 19%, where the taxation year is the year 2024 or a subsequent year;";

(3) by replacing subparagraph i of subparagraph *c* by the following subparagraph:

"i. in the case of an individual (other than a trust) or a qualified disability trust within the meaning of the first paragraph of section 768.2, $175,000, and".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

71. (1) The Act is amended by inserting the following section after section 776.46:

"**776.46.1.** Where the amount of $175,000 to which subparagraph i of subparagraph *c* of the second paragraph of section 776.46 refers is to be used for a taxation year subsequent to the year 2024, it is to be adjusted annually in such a manner that the amount used for that taxation year is equal to the total of the amount used for the preceding taxation year and the product obtained by multiplying the latter amount by the factor determined by the formula

$(A/B) - 1$.

In the formula in the first paragraph,

(*a*) A is the average all-items Consumer Price Index for Québec excluding alcoholic beverages, tobacco products and recreational cannabis for the 12-month period that ended on 30 September of the taxation year preceding that for which an amount is to be adjusted; and

(*b*) B is the average all-items Consumer Price Index for Québec excluding alcoholic beverages, tobacco products and recreational cannabis for the 12-month period that ended on 30 September of the taxation year immediately before the year preceding that for which the amount is to be adjusted.

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

Where the amount that results from the adjustment provided for in the first paragraph is not a multiple of $5, it must be rounded to the nearest multiple of $5 or, if it is equidistant from two such multiples, to the higher multiple."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2024.

72. (1) Section 776.56 of the Act is amended

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

"(*a*) the first paragraph of section 231 shall be construed as if the taxable capital gain or the allowable capital loss represented 100% of the capital gain or of the capital loss, as the case may be, from the disposition of property;";

(2) by replacing "80%" in paragraph *b* by "100%";

(3) by replacing "to 80% of" in paragraph *c* by "to".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

73. (1) The Act is amended by inserting the following section after section 776.56:

"**776.56.1.** For the purposes of section 776.51, section 231.2 is to be read, in respect of a particular disposition, as if "zero" in the portion before paragraph *a* were replaced by "30% of the taxpayer's capital gain for the year from the disposition of the property", where the particular disposition is either a disposition in respect of which paragraph *a* or *d* of section 231.2 applies or a disposition of a property referred to in paragraph *a* of section 231.2 and in respect of which paragraph *c* of that section applies."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

74. (1) Section 776.59 of the Act is amended by striking out “1/2 of” in the portion before paragraph *a*.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023. In addition, where section 776.59 of the Act applies to the taxation years 2013 to 2023, it is to be read as if “1/2” in the portion before paragraph *a* were replaced by “60%”.

75. (1) Section 776.60 of the Act is amended

(1) by replacing “the second paragraph” in the first paragraph by “the second and third paragraphs”;

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

“The only amounts deductible by the individual for the year in computing the individual’s taxable income or the individual’s taxable income earned in Canada, as the case may be, under sections 725, 725.2.2, 726.7, 726.7.1 and 726.20.2 are

(*a*) as regards section 725, the amount that would be deductible under that section if the individual deducted 1/2 of the amount the individual deducted for the year under paragraph *d*.1 of that section; and

(*b*) as regards any of sections 725.2.2, 726.7, 726.7.1 and 726.20.2, 7/5 of the amount deducted under that section.

In addition, no amount is deductible by the individual for the year in computing the individual’s taxable income or the individual’s taxable income earned in Canada, as the case may be, under any of sections 725.2, 725.3, 725.4 and 725.5.”

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

76. (1) Section 776.61 of the Act is amended

(1) in paragraph *a*,

(*a*) by inserting “1/2 of” at the beginning of subparagraph i;

(*b*) by replacing “the said sections for the year” in the portion of subparagraph ii before subparagraph 1 by “those sections for the year if the amount that would be deductible under those sections were equal to 1/2 of the amount that would otherwise be deductible under those sections and”;

(2) in paragraph *b*,

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

"(*b*) as regards section 729, the lesser of

i. the aggregate of all amounts the individual deducted under that section for the year, and";

(*b*) by inserting "and begins before 1 January 2024" at the end of subparagraph 3 of subparagraph ii;

(*c*) by adding the following subparagraph at the end of subparagraph ii:

"(4) section 776.55.1 applied in computing the individual's net capital loss for any taxation year that begins after 31 December 2023."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

77. (1) The Act is amended by inserting the following sections after section 776.61:

"**776.61.0.1.** For the purposes of section 776.51, the amount that is deductible by the individual in computing the individual's income for the year under any of the following provisions is equal to 1/2 of the amount deducted for the year under that provision:

(*a*) sections 63, 63.1, 64, 65.1, 66, 67, 75, 75.2.1, 75.3, 78, 78.4 and 79;

(*b*) paragraphs *i*.1 and *j* of section 339; and

(*c*) sections 348, 349, 350.1, 358.0.1 and 358.0.3.

"**776.61.0.2.** For the purposes of section 776.51, the amount that is deductible by the individual in computing the individual's income for the year under any of sections 147, 160, 163, 176, 176.4, 176.6 and 179 in respect of an amount described in the second paragraph is equal to 1/2 of the amount deducted for the year under that section in respect of that amount.

The amount to which the first paragraph refers is an amount borrowed to earn income from property for the year, other than an amount described in any of sections 776.53, 776.54, 776.55.2, 776.55.3 and 776.57.1."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023. However, where section 776.61.0.1 of the Act applies to a taxation year that begins before 1 January 2026, it is to be read as if "76," were inserted after "75.3," in paragraph *a*.

78. (1) Section 776.61.1 of the Act is amended by replacing "and 776.57.1" in paragraph *b* by ", 776.57.1 and 776.61.0.2".

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

79. (1) Section 776.62 of the Act is repealed.

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023.

80. (1) Section 776.65 of the Act is amended

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

"(*a*) 1/2 of the amount deducted under any of sections 752.0.0.1 to 752.0.10.0.11, 752.0.14, 752.0.18.3 to 752.0.18.9, 752.0.18.10 to 752.0.18.15, 776.1.5.0.17, 776.1.5.0.18, 776.41.14 and 776.41.21 in computing the individual's tax payable for the year under this Part;";

(2) by replacing "the amount deducted" and "752.0.10.1" in subparagraph *b* of the first paragraph by "1/2 of the amount deducted" and "752.0.11", respectively;

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

"(*c*) 4/5 of the amount deducted under any of sections 752.0.10.6 to 752.0.10.6.2 in computing the individual's tax payable for the year under this Part, determined without reference to this Book, to the extent that the amount deducted does not exceed the maximum amount deductible under that section in computing the individual's tax payable for the year under this Part, determined without reference to this Book;

"(*d*) the amount deducted under section 752.0.18.9.1 in computing the individual's tax payable for the year under this Part; or

"(*e*) where an amount is deducted under section 776.41.5 in computing the individual's tax payable for the year under this Part, the amount determined by the formula

0.5A + 0.8B + 0.5C.";

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

"In the formula in subparagraph *e* of the first paragraph,

(*a*) A is the lesser of

i. the total of all amounts each of which is an amount that the individual's eligible spouse for the year, within the meaning of sections 776.41.1 to 776.41.4, may deduct under section 752.0.18.10 or 752.0.18.15 in computing tax payable for the year under this Part and that the individual includes in computing, for the year, the aggregate described in subparagraph *a* of the second paragraph of section 776.41.5, and

ii. the amount that would be deducted under section 776.41.5 in computing the individual's tax payable for the year under this Part if

(1) subparagraphs *a* and *b* of the second paragraph of that section were read as if "776.1.5.0.17 and 776.1.5.0.18" were replaced by "767, 772.2 to 772.13.3, 772.15, 776.1.1, 776.1.2, 776.1.5.0.11, 776.1.5.0.15.7, 776.1.5.0.17, 776.1.5.0.18 and 776.1.6", and

(2) where the individual is referred to in the second paragraph of any of sections 22, 25 and 26, no reference were made to the proportion referred to in section 776.41.6 or 776.41.8, as the case may be;

(*b*) B is the lesser of

i. the total of all amounts each of which is an amount that the individual's eligible spouse for the year, within the meaning of sections 776.41.1 to 776.41.4, may deduct under section 752.0.10.6 or 752.0.10.6.2 in computing tax payable for the year under this Part and that the individual includes in computing, for the year, the aggregate described in subparagraph *a* of the second paragraph of section 776.41.5, and

ii. the amount by which the amount determined under subparagraph ii of subparagraph *a* exceeds the amount determined under subparagraph i of that subparagraph *a*; and

(*c*) C is the amount by which the amount determined under subparagraph ii of subparagraph *b* exceeds the amount determined under subparagraph i of that subparagraph *b*.";

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

"(*b*) the amount deducted by the individual under section 776.41.14 or 776.41.21 in computing tax payable for the year under this Part must be determined without reference to

i. the proportion referred to in section 776.41.16 or 776.41.18, as the case may be, where the amount is deducted under section 776.41.14, or

ii. the proportion referred to in section 776.41.22 or 776.41.24, as the case may be, where the amount is deducted under section 776.41.21."

(2) Subsection 1 applies to a taxation year that begins after 31 December 2023. However, where section 776.65 of the Act applies to a taxation year that begins before 1 January 2026, it is to be read

(1) as if, in subparagraph *a* of the first paragraph, “752.0.10.0.11” were replaced by “752.0.10.0.9” and “752.0.18.9, 752.0.18.10 to” were struck out;

(2) without reference to subparagraph *d* of the first paragraph; and

(3) as if, in subparagraph 1 of subparagraph ii of subparagraph *a* of the second paragraph, “776,” were inserted after “772.15,” and, except where section 776.65 of the Act applies to a taxation year that begins after 31 December 2024, “776.1.5.0.15.7,” were struck out.

81. (1) Section 782 of the Act is amended by replacing “I.0.2.0.4 and I.0.3” in paragraph *b* by “I.0.2.0.5, I.0.3 and I.0.3.2.1”.

(2) Subsection 1 applies from the taxation year 2026.

82. (1) Section 890.16.1 of the Act is replaced by the following section:

“**890.16.1.** For the purposes, at any time, of this Title and Chapter III of Title XXXV of the Regulation respecting the Taxation Act (chapter I-3, r. 1), “education at the post-secondary school level” or “program at a post-secondary school level” includes a program of studies of an educational institution that is, at that time, a recognized educational institution within the meaning of section 752.0.18.10.3 that furnishes a person with skills for, or improves a person’s skills in, an occupation.”

(2) Subsection 1 applies from 1 January 2026.

83. (1) Section 965.39.2 of the Act is replaced by the following section:

“**965.39.2.** The adjusted cost to an individual of a qualifying security is obtained by multiplying the cost to the individual of the security, determined without taking into account the borrowing costs or other costs related to the acquisition of the security incurred by the individual or by a partnership, by

(*a*) 125%, in the case of a qualifying security acquired before 26 March 2025; or

(*b*) 100%, in the case of a qualifying security acquired after 25 March 2025.”

(2) Subsection 1 has effect from 25 March 2025.

84. (1) Section 1029.6.0.0.1 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 1029.6.0.0.1 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by inserting the following subparagraph after subparagraph *a* of the second paragraph:

“(*a*.1) in the case of Division II.4.1.1, government assistance or non-government assistance does not include

i. an amount deemed to have been paid to the Minister for a taxation year under that division, or

ii. an amount deducted or deductible under subsection 5 or 6 of section 127 of the Income Tax Act or under any of sections 127.43, 127.44, 127.45, 127.47, 127.48 and 127.49 of that Act;".

(2) Subsection 1 has effect from 26 March 2025.

85. (1) Section 1029.6.0.1.2.3 of the Act is amended by adding the following subparagraph at the end of the second paragraph:

"(*d*) if, for the purpose of establishing the amount used as a basis for computing the particular amount, another amount (in this subparagraph referred to as the "exclusion threshold") obtained by multiplying the amount in dollars mentioned in section 752.0.0.1 by a proportion or, successively, by more than one proportion is to be taken into account, the exclusion threshold is deemed to be equal to the product obtained by multiplying the exclusion threshold, otherwise determined, by the proportion that the period attributed for the purposes, in respect of the expenditure entitling to more than one tax credit, of that applicable division, is of the part of the period to which the expenditure entitling to more than one tax credit is attributable that can reasonably be considered, for the purposes of that division, as having been devoted to the activity referred to in subparagraph *b* of the first paragraph in relation to that expenditure."

(2) Subsection 1 has effect from 26 March 2025.

86. (1) Section 1029.7 of the Act is amended

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

"**1029.7.** A taxpayer, other than a tax-exempt taxpayer, who carries on a business in Canada, who undertakes scientific research and experimental development related to a business of the taxpayer, in Québec, or causes such research and development to be undertaken in Québec on the taxpayer's behalf as part of a contract, and who encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, for the taxation year in which the research and development was undertaken is deemed, if that taxation year begins before 26 March 2025 and subject to the second and seventh paragraphs, to have paid to the Minister, on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 14% of the aggregate of";

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

"Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development undertaken in a taxation year because of paragraph *a* of section 1029.8.18.1 as a consequence of subparagraph i of that paragraph *a*, or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that taxation year, without reference to "if that taxation year begins before 26 March 2025 and" and as if "the second and seventh paragraphs" were replaced by "the second paragraph"."

(2) Subsection 1 has effect from 26 March 2025.

87. (1) Section 1029.8 of the Act is amended

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

"**1029.8.** Where a partnership carries on a business in Canada and undertakes scientific research and experimental development related to a business of the partnership, in Québec, or causes such research and development to be undertaken in Québec on its behalf as part of a contract, every taxpayer, other than a tax-exempt taxpayer, who is a member of the partnership at the end of a fiscal period of the partnership in which the research and development was undertaken, who is not a specified member of the partnership in that fiscal period and who encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, for the taxpayer's taxation year in which the fiscal period ends, is deemed, if that fiscal period begins before 26 March 2025 and subject to the second and eighth paragraphs, to have paid to the Minister, on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, 14% of the taxpayer's share of an amount equal to the aggregate of";

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

"Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development, or a share of an expenditure for scientific research and experimental development, undertaken in a fiscal period because of paragraph *a* of section 1029.8.18.1.1 or 1029.8.18.1.2, as the case may be, as a consequence of subparagraph i of that paragraph *a*, or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that fiscal period, without reference to "if that fiscal period begins before 26 March 2025 and" and as if "the second and eighth paragraphs" were replaced by "the second paragraph"."

(2) Subsection 1 has effect from 26 March 2025.

88. (1) Section 1029.8.6 of the Act is amended

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

"**1029.8.6.** A taxpayer, other than a tax-exempt taxpayer, who carries on a business in Canada, who has entered into a university research contract with an eligible university entity or into an eligible research contract with an eligible public research centre or an eligible research consortium, or for the benefit of whom a prescribed linkage agency has entered into such a contract in accordance with an agreement entered into between the taxpayer and the prescribed linkage agency, and who encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, for the taxation year in which scientific research and experimental development related to a business of the taxpayer was undertaken under the contract by the eligible university entity, the eligible public research centre or the eligible research consortium, as the case may be, is deemed, if that taxation year begins before 26 March 2025 and subject to the second and third paragraphs, to have paid to the Minister, on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 14%";

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

"Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development undertaken in a taxation year because of paragraph *a* of section 1029.8.18.1 as a consequence of subparagraph i of that paragraph *a*, or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that taxation year, without reference to "if that taxation year begins before 26 March 2025 and" and as if "the second and third paragraphs" were replaced by "the second paragraph"."

(2) Subsection 1 has effect from 26 March 2025.

89. (1) Section 1029.8.7 of the Act is amended

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

"**1029.8.7.** Where a partnership carries on a business in Canada and has entered into a university research contract with an eligible university entity or into an eligible research contract with an eligible public research centre or an eligible research consortium, or where such a contract has been entered into by a prescribed linkage agency for the benefit of the partnership in accordance with an agreement entered into between the partnership and the prescribed linkage agency, each taxpayer, other than a tax-exempt taxpayer, who is a member of the partnership at the end of a fiscal period of the partnership in which scientific research and experimental development related to a business of the partnership was undertaken under the contract by the eligible university entity, the eligible public research centre or the eligible research consortium, as the case may be, who is not a specified member of the partnership in that fiscal period and who encloses the prescribed form containing prescribed information with the fiscal return the taxpayer is required to file under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, for the taxpayer's taxation year in which the fiscal period ends, is deemed, if that fiscal period begins before 26 March 2025 and subject to the second and fourth paragraphs, to have paid to the Minister, on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 14% of the taxpayer's share";

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

"Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development, or a share of an expenditure for scientific research and experimental development, undertaken in a fiscal period because of paragraph *a* of section 1029.8.18.1.1 or 1029.8.18.1.2, as the case may be, as a consequence of subparagraph i of that paragraph *a*, or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that fiscal period, without reference to "if that fiscal period begins before 26 March 2025 and" and as if "the second and fourth paragraphs" were replaced by "the second paragraph"."

(2) Subsection 1 has effect from 26 March 2025.

90. (1) Section 1029.8.9.0.3 of the Act is amended

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

"A taxpayer, other than a tax-exempt taxpayer, who carries on a business in Canada and who encloses with the fiscal return the taxpayer is required to file for a particular taxation year under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, the prescribed form containing prescribed information, is deemed, subject to the second and third paragraphs, to have paid to the Minister on the taxpayer's balance-due day for the particular year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 14% of the total of the aggregate of all amounts each of which is the taxpayer's eligible fee for the particular year in relation to an eligible research consortium, provided that eligible fee is attributable to a fee or dues paid in a taxation year of the taxpayer that begins before 26 March 2025, and the aggregate of all amounts each of which is, where the taxpayer is a member of an eligible research consortium at the end of the fiscal period of the eligible research consortium ending in the particular year, the taxpayer's eligible fee balance for the particular year in relation to that consortium, provided that the eligible fee balance is attributable to a fee or dues paid in a taxation year of the taxpayer that begins before 26 March 2025 and that the particular year ends before 1 January 2030.";

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

"Where an amount is deemed, for the purposes of this section, to be an eligible fee or an eligible fee balance of a taxpayer for a taxation year, because of paragraph *a* of section 1029.8.18.1 as a consequence of subparagraph ii of that paragraph *a*, the first paragraph is to be read, as regards that amount for that taxation year, as if "the second and third paragraphs" were replaced by "the second paragraph" and without reference to "and that the particular year ends before 1 January 2030"."

(2) Subsection 1 has effect from 26 March 2025.

91. (1) Section 1029.8.9.0.4 of the Act is amended

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

"Where a partnership carries on a business in Canada, every taxpayer, other than a tax-exempt taxpayer, who is a member of the partnership at the end of a particular fiscal period of the partnership in which the partnership paid an eligible fee to an eligible research consortium, who is not a specified member of the partnership in that fiscal period and who encloses with the fiscal return the taxpayer is required to file under section 1000, or would be required to file if tax were payable under this Part by the taxpayer, for the taxpayer's taxation year in which the fiscal period ends, the prescribed form containing prescribed information, is deemed, subject to the second and fourth paragraphs, to have paid to the Minister on the taxpayer's balance-due day for that year, on account of the taxpayer's tax payable for that year under this Part, an amount equal to 14% of the taxpayer's share of the total of the aggregate of all amounts each of which is, for the particular fiscal period, an eligible fee of the partnership in relation to an eligible research consortium, provided that eligible fee is attributable to a fee or dues paid in a fiscal period of the partnership that begins before 26 March 2025, and the aggregate of all amounts each of which is, where the partnership is a member of an eligible research consortium at the end of the fiscal period of the eligible research consortium ending in the particular fiscal period of the partnership, the partnership's eligible fee balance for the particular fiscal period in relation to the eligible research consortium, provided that the eligible fee balance is attributable to a fee or dues paid in a fiscal period of the partnership that begins before 26 March 2025 and that the particular fiscal period ends before 1 January 2030.";

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

"Where an amount is deemed, for the purposes of this section, to be either an eligible fee paid by a taxpayer or a taxpayer's share of an eligible fee paid by a partnership for a fiscal period, or a taxpayer's eligible fee balance or a taxpayer's share of an eligible fee balance of a partnership for such a fiscal period, because of subparagraph ii of paragraph *a* of section 1029.8.18.1.1 or 1029.8.18.1.2, as the case may be, the first paragraph is to be read, as regards that amount for that fiscal period, as if “the second and fourth paragraphs” were replaced by “the second paragraph” and without reference to “and that the particular fiscal period ends before 1 January 2030”.”

(2) Subsection 1 has effect from 26 March 2025.

92. (1) Section 1029.8.16.1.4 of the Act is amended

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

“**1029.8.16.1.4.** A taxpayer, other than a public partner or a tax-exempt taxpayer within the meaning of paragraph *b*.1 of section 1029.8.1, who carries on a business in Canada and has entered into an agreement with a person or partnership under which the parties agree to undertake scientific research and experimental development related to a business of the taxpayer, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, other than an excluded contract, is deemed, subject to the second and fifth paragraphs, to have paid to the Minister, on the taxpayer’s balance-due day for a taxation year in which the research and development was undertaken, on account of the taxpayer’s tax payable for that year under this Part, if that taxation year begins before 26 March 2025, if the conditions set out in the third paragraph are satisfied in respect of the parties to the agreement and if the taxpayer encloses the documents described in the fourth paragraph with the fiscal return the taxpayer is required to file under section 1000 for that year, or would be required to file if tax were payable under this Part by the taxpayer, an amount equal to 14% of the aggregate of”;

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

“Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development undertaken in a taxation year because of subparagraph i of paragraph *a* of section 1029.8.18.1 or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that taxation year, as if “the second and fifth paragraphs” were replaced by “the second paragraph” and without reference to “if that taxation year begins before 26 March 2025,”.”

(2) Subsection 1 has effect from 26 March 2025.

93. (1) Section 1029.8.16.1.5 of the Act is amended

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

“**1029.8.16.1.5.** If a particular partnership carries on a business in Canada and has entered into an agreement under which the parties agree to undertake scientific research and experimental development related to a business of the particular partnership, in Québec, or cause such research and development to be undertaken in Québec on their behalf as part of a contract, other than an excluded contract, each taxpayer who is a member of the particular partnership at the end of a fiscal period of the particular partnership in which the research and development was undertaken and who is not a public partner, a tax-exempt taxpayer within the meaning of paragraph *b*.1 of section 1029.8.1 or a specified member of the particular partnership in that fiscal period, is deemed, subject to the second and fifth paragraphs, to have paid to the Minister, on the taxpayer's balance-due day for the taxpayer's taxation year in which that fiscal period ends, on account of the taxpayer's tax payable for that year under this Part, if that fiscal period begins before 26 March 2025, if the conditions set out in the third paragraph are satisfied in respect of the parties to the agreement and if the taxpayer encloses the documents described in the fourth paragraph with the fiscal return the taxpayer is required to file under section 1000 for that year, or would be required to file if tax were payable under this Part by the taxpayer, 14% of the taxpayer's share of an amount equal to the aggregate of";

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

"Where an amount is deemed, for the purposes of this section, to be an expenditure for scientific research and experimental development, or a share of an expenditure for scientific research and experimental development, undertaken in a fiscal period because of paragraph *a* of section 1029.8.18.1.1 or 1029.8.18.1.2, as a consequence of subparagraph i of that paragraph *a*, or paragraph *a* of section 1029.8.18.1.3, the portion of the first paragraph before subparagraph *a* is to be read, as regards that amount for that fiscal period, as if "the second and fifth paragraphs" were replaced by "the second paragraph" and without reference to "if that fiscal period begins before 26 March 2025,"."

(2) Subsection 1 has effect from 26 March 2025.

94. (1) The Act is amended by inserting the following division before Division II.4.2 of Chapter III.1 of Title III of Book IX of Part I:

"**DIVISION II.4.1.1**

"CREDIT FOR SCIENTIFIC RESEARCH, EXPERIMENTAL DEVELOPMENT AND PRE-COMMERCIALIZATION

"§1.—*Interpretation and general rules*

"**1029.8.21.16.1.** In this division,

"associated group" in a taxation year means all the qualified corporations that are associated with each other in the year;

“contract payment” means

(*a*) an amount paid or payable, by a taxable supplier in respect of the amount, for scientific research and experimental development, to the extent that the research and development has been undertaken for, or on behalf of, a person or partnership entitled to a deduction in respect of the amount under paragraph *b* or *c* of subsection 1 of section 222 or for, or on behalf of, a person or partnership that is carrying on a business in Canada and that would be entitled to such a deduction if the person or partnership had an establishment in Québec; or

(*b*) an amount in respect of an expenditure of a current nature, within the meaning of section 230.0.0.1.1, of a taxpayer, other than a prescribed amount, payable by the Gouvernement du Québec, the Government of Canada or the government of another province, by a municipality or other public authority in Canada or by a person exempt from tax under this Part because of any of sections 980 to 985 and 985.23 to 999.1 for scientific research and experimental development to be undertaken for, or on behalf of, the authority or person;

“controlled corporation” means a corporation that, in the 24 months preceding the date on which a contract referred to in any of subparagraphs *b* to *j* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 is entered into or at a later time determined by the Minister, is controlled, directly or indirectly in any manner whatsoever, by one or more of the following entities or persons:

(*a*) an eligible university entity;

(*b*) an eligible public research centre;

(*c*) an eligible research consortium;

(*d*) a trust one of the capital or income beneficiaries of which is an entity referred to in any of paragraphs *a* to *c*; or

(*e*) a corporation carrying on a personal services business;

“eligible public research centre” means a public research centre recognized as an eligible public research centre for the purposes of this division or a college centre for the transfer of technology that is authorized under the General and Vocational Colleges Act (chapter C-29);

“eligible research consortium” means a body recognized as an eligible research consortium for the purposes of this division, as well as any other prescribed body;

“eligible university entity” means a Québec university, a prescribed university hospital medical research centre, a subsidiary wholly-owned corporation of such a centre that is constituted exclusively for the prosecution or promotion of scientific research and experimental development, a non-profit corporation under the authority of such a centre constituted principally for the prosecution or promotion of scientific research and experimental development, one of whose members is such a centre and one of whose applicants for articles of association is a member of the board of directors of the centre, or any other prescribed body;

"excluded corporation" means a corporation that

(*a*) is exempt from tax under Book VIII;

(*b*) would be exempt from tax under section 985, but for section 192; or

(*c*) is a controlled corporation or a corporation related to a controlled corporation;

"expenditure relating to pre-commercialization activities" has the meaning assigned by section 1029.8.21.16.4;

"expenditure relating to scientific research and experimental development activities" has the meaning assigned by section 1029.8.21.16.3;

"pre-commercialization activities" means, subject to the second paragraph, the following activities carried out by or on behalf of a corporation or partnership, to the extent that they constitute a continuation of scientific research and experimental development undertaken in Québec by or on behalf of the corporation or partnership, in respect of a business of the corporation or partnership, as the case may be, but do not constitute scientific research and experimental development:

(*a*) tests, technological validations and studies conducted to meet regulatory requirements and aimed at obtaining initial approval or initial certification for the commercialization of a product or process; and

(*b*) product design, provided that the design

i. is a creative activity stemming from a systematic and documented approach that consists in determining the formal, functional and symbolic properties of industrially manufactured products, and

ii. does not include

(1) software or website design,

(2) the design of a product according to characteristics that meet the specific needs of an individual who does not carry on a business and who has ordered the product,

(3) layout design that consists in combining or adapting previously designed products to integrate them into a specific environment or site, or

(4) graphic design whose objective is to create visual communication objects, whether graphic artwork consisting in a written, figurative or symbolic representation of objects, facts or ideas, graphic artwork applied or printed on product packaging, or on publishing products such as books, publications or promotional documents, or graphic artwork pertaining to signage, business logos, advertising, identification codes, safety warnings, written user or operating instructions and legally required notices such as the place of manufacture;

"pre-commercialization employee" in respect of a corporation for a taxation year or of a partnership for a fiscal period means an employee for whom at least a portion of the wages is referred to in any of subparagraphs *a*, *b*, *d*, *f* and *h* of the first paragraph of section 1029.8.21.16.4 for the year or fiscal period, as the case may be;

"qualified corporation" for a taxation year means a corporation, other than an excluded corporation for the year, that, in the year, carries on a business in Québec, has an establishment in Québec and undertakes or carries out, or causes to be undertaken or carried out on its behalf under a contract, scientific research and experimental development or pre-commercialization activities in Québec, in respect of a business of the corporation;

"qualified partnership" for a fiscal period means a partnership that, in the fiscal period, carries on a business in Québec, has an establishment in Québec and undertakes or carries out, or causes to be undertaken or carried out on its behalf under a contract, scientific research and experimental development or pre-commercialization activities in Québec, in respect of a business of the partnership;

"scientific research and experimental development employee" in respect of a corporation for a taxation year or of a partnership for a fiscal period means an employee for whom at least a portion of the wages is referred to in any of subparagraphs *a*, *b*, *d*, *f* and *h* of the first paragraph of section 1029.8.21.16.3 for the year or fiscal period, as the case may be;

"taxable supplier" in respect of an amount means

(*a*) a person resident in Canada;

(*b*) a Canadian partnership; or

(*c*) a person not resident in Canada, or a partnership that is not a Canadian partnership, where the amount is paid or payable by that person or partnership in the course of carrying on a business through an establishment in Canada;

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

For the purposes of the definition of "pre-commercialization activities" in the first paragraph, the following rules apply:

(*a*) an activity relating to the quality control of a product or process constitutes an activity referred to in paragraph *a* of that definition only if it relates to the implementation of a quality control system required to obtain initial approval or initial certification necessary for the commercialization of a product or process;

(*b*) an activity referred to in paragraph *b* of that definition may constitute a continuation of scientific research and experimental development even if it is carried out prior to the scientific research and experimental development; and

(*c*) despite subparagraph 4 of subparagraph ii of paragraph *b* of that definition, graphic design whose objective is to create visual communication objects that leads to the printing or application of graphic artwork directly on an industrially manufactured product is an activity referred to in paragraph *b* of that definition, to the extent that the design enhances the product either aesthetically or in terms of its functionality and in respect of which the following conditions are met:

i. the graphic artwork is created by a designer, who may make different versions of it, and

ii. it is not a modification or an adaptation of existing graphic artwork or of an existing motif.

"**1029.8.21.16.2.** For the purposes of this division, a corporation's share of an amount, in relation to a partnership of which the corporation is a member at the end of a fiscal period, is equal to the agreed proportion of the amount in respect of the corporation for the fiscal period.

"§2.—*Expenditure relating to scientific research and experimental development activities and expenditure relating to pre-commercialization activities*

"**1029.8.21.16.3.** Subject to the third paragraph and section 1029.8.21.16.5, the expenditure relating to scientific research and experimental development activities of a corporation for a taxation year or of a partnership for a fiscal period means the aggregate of all expenditures each of which concerns a business of the corporation or partnership, as the case may be, and is

(*a*) the wages paid by the corporation or partnership in respect of scientific research and experimental development undertaken in Québec in the year or fiscal period, as the case may be, to its employees of an establishment situated in Québec;

(*b*) the portion of the consideration paid under a contract by the corporation or partnership in respect of scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the contract was entered into and that has undertaken all or part of the research and development, that can reasonably be attributed to wages paid to the employees of an establishment of the person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;

(*c*) one-half of the portion of the consideration paid under a contract by the corporation or partnership to a person or another partnership that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the contract was entered into,

i. that can reasonably be attributed to scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, by the employees of an establishment of the person or other partnership situated in Québec, or that could be so attributed if that person or other partnership had such employees, or

ii. that can reasonably be attributed to scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the person is a corporation, a shareholder of that person or who is a member of the other partnership;

(*d*) the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work carried out in the year or fiscal period, as the case may be, relating to scientific research and experimental development undertaken in Québec in any taxation year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the particular contract was entered into and that has carried out all or part of the work, that can reasonably be attributed to wages paid to the employees of an establishment of the person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;

(*e*) one-half of the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work relating to scientific research and experimental development undertaken in Québec in any taxation year or fiscal period, to a person or another partnership that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the particular contract was entered into,

i. that can reasonably be attributed to the work carried out in the year or fiscal period, as the case may be, by the employees of an establishment of that person or other partnership, as the case may be, situated in Québec, or that could be so attributed if that person or other partnership had such employees, or

ii. that can reasonably be attributed to the work carried out in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the person is a corporation, a shareholder of that person or who is a member of the other partnership;

(*f*) the portion of the consideration paid under a contract by the corporation or partnership in respect of scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership was not dealing at arm's length at the time the contract was entered into, and paid again by the person or other partnership, under a particular contract, in respect of that research and development, to another person or partnership (in this section referred to as a "second-tier subcontractor") with which the corporation or a member of the partnership was not dealing at arm's length at the time the particular contract was entered into and that has undertaken all or part of the research and development, that can reasonably be attributed to wages paid to the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees;

(*g*) one-half of the portion of the consideration paid under a contract by the corporation or partnership to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the contract was entered into, and paid again by that person or other partnership, under a particular contract, to a second-tier subcontractor that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the particular contract was entered into,

i. that can reasonably be attributed to scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, by the employees of an establishment of the second-tier subcontractor situated in Québec, or that could be so attributed if that second-tier subcontractor had such employees, or

ii. that can reasonably be attributed to scientific research and experimental development undertaken on its behalf in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the second-tier subcontractor is a corporation, a shareholder of that second-tier subcontractor or who is a member of the second-tier subcontractor, where the latter is a partnership;

(*h*) the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work carried out in Québec in the year or fiscal period, as the case may be, relating to scientific research and experimental development undertaken in any taxation year or fiscal period, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the particular contract was entered into, and paid again by that person or other partnership, under another particular contract, to a second-tier subcontractor with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the other particular contract was entered into and that has undertaken all or part of the work, that can reasonably be attributed to wages paid to the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees;

(*i*) one-half of the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes scientific research and experimental development to be undertaken on its behalf, for work relating to scientific research and experimental development undertaken in Québec in any taxation year or fiscal period, to a person or another partnership with which the corporation or a member of the partnership was not dealing at arm's length at the time the particular contract was entered into, and paid again by that person or other partnership, under another particular contract, to a second-tier subcontractor that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the other particular contract was entered into,

i. that can reasonably be attributed to the work carried out in the year or fiscal period, as the case may be, by the employees of an establishment of the second-tier subcontractor situated in Québec, or that could be so attributed if that second-tier subcontractor had such employees, or

ii. that can reasonably be attributed to the work carried out in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the second-tier subcontractor is a corporation, a shareholder of that second-tier subcontractor or who is a member of the second-tier subcontractor, where the latter is a partnership;

(*j*) except to the extent that it is referred to in subparagraph *c*, one-half of the portion of a payment made by the corporation or partnership, under a contract, to an eligible public research centre, an eligible research consortium or an eligible university entity with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to expenditures that

i. are made for scientific research and experimental development undertaken in Québec in the corporation's year or the partnership's fiscal period, as the case may be, and in respect of which the corporation or partnership is entitled to exploit the results, and

ii. would not be expenditures referred to in section 1029.8.21.16.5 in respect of the eligible public research centre, eligible research consortium or eligible university entity, as the case may be, if that centre, consortium or entity were a corporation; or

(*k*) subject to the second paragraph, an expenditure of a capital nature that is incurred by the corporation in the year or by the partnership in the fiscal period, as the case may be, and that relates to the acquisition of a property

i. all or substantially all of which is used solely in Québec for scientific research and experimental development or pre-commercialization activities undertaken or carried out by or on behalf of the corporation or partnership, as the case may be, and mainly for scientific research and experimental development, and

ii. that, before its acquisition by the corporation or partnership, as applicable, was neither used for any purpose nor acquired to be used or leased for any purpose whatsoever.

For the purposes of subparagraph *k* of the first paragraph, the following rules apply:

(*a*) an expenditure of a capital nature does not include

i. an expenditure relating to the acquisition of land or of a leasehold interest in the land,

ii. an expenditure relating to the acquisition of a building, including a leasehold interest in the building, or

iii. an expenditure relating to the acquisition of a right of use of a building;

(*b*) an expenditure in respect of a property is deemed to have been incurred only from the time the property is considered to have become available for use; and

(*c*) no amount may be deemed to have been paid to the Minister by a corporation for a particular taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14, in relation to an expenditure referred to in subparagraph *k* of the first paragraph or its share of such an expenditure, where, at any time during the period described in the third paragraph, all or substantially all of the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, or a major breakdown of the property, to be used solely in Québec for scientific research and experimental development undertaken, as the case may be,

i. by or on behalf of the corporation or partnership, as the case may be, or

ii. by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion of subparagraph *c* before subparagraph i.

The period to which subparagraph *c* of the second paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earliest of

(*a*) the last day of the property's expected useful life;

(*b*) the 730th day following the particular day; and

(*c*) the corporation's filing-due date for the particular taxation year or the last day of the six-month period following the end of the partnership's fiscal period that ends in the particular year, as the case may be.

For the purposes of the first paragraph, the following rules apply:

(*a*) an expenditure (other than an expenditure referred to in subparagraph *k* of the first paragraph) is included in the expenditure relating to scientific research and experimental development activities only if it is an expenditure referred to in subsection 1 of section 222; and

(*b*) the portion of the consideration paid by a corporation or a partnership under a contract that is referred to in any of subparagraphs *d*, *e*, *h* and *i* of the first paragraph is to be reduced by the amount of the consideration for the disposition of a property to the corporation or partnership, other than a property resulting from scientific research and experimental development.

"**1029.8.21.16.4.** Subject to section 1029.8.21.16.5, the expenditure relating to pre-commercialization activities of a corporation for a taxation year or of a partnership for a fiscal period means the aggregate of all expenditures each of which concerns a business of the corporation or partnership, as the case may be, and is

(*a*) the wages paid by the corporation or partnership in respect of pre-commercialization activities carried out in Québec in the year or fiscal period, as the case may be, to its employees of an establishment situated in Québec;

(*b*) the portion of the consideration paid under a contract by the corporation or partnership in respect of pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the contract was entered into and that has carried out all or part of the activities, that can reasonably be attributed to wages paid to the employees of an establishment of the person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;

(*c*) one-half of the portion of the consideration paid under a contract by the corporation or partnership to a person or another partnership that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the contract was entered into,

i. that can reasonably be attributed to pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, by the employees of an establishment of the person or other partnership situated in Québec, or that could be so attributed if that person or other partnership had such employees, or

ii. that can reasonably be attributed to pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the person is a corporation, a shareholder of that person or who is a member of the other partnership;

(*d*) the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes pre-commercialization activities to be carried out on its behalf, for work carried out in the year or fiscal period, as the case may be, relating to pre-commercialization activities carried out in Québec in any taxation year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the particular contract was entered into and that has carried out all or part of the work, that can reasonably be attributed to wages paid to the employees of an establishment of the person or other partnership situated in Québec or that could be so attributed if that person or other partnership had such employees;

(*e*) one-half of the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes pre-commercialization activities to be carried out on its behalf, for work relating to pre-commercialization activities carried out in Québec in any taxation year or fiscal period, to a person or another partnership that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the particular contract was entered into,

i. that can reasonably be attributed to the work carried out in the year or fiscal period, as the case may be, by the employees of an establishment of that person or other partnership, as the case may be, situated in Québec or that could be so attributed if that person or other partnership had such employees, or

ii. that can reasonably be attributed to the work carried out in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the person is a corporation, a shareholder of that person or who is a member of the other partnership;

(*f*) the portion of the consideration paid under a contract by the corporation or partnership in respect of pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, to a person or another partnership with which the corporation or a member of the partnership was not dealing at arm's length at the time the contract was entered into, and paid again by the person or other partnership, under a particular contract, in respect of those activities, to another person or partnership (in this section referred to as a "second-tier subcontractor") with which the corporation or a member of the partnership was not dealing at arm's length at the time the particular contract was entered into and that has carried out all or part of the activities, that can reasonably be attributed to wages paid to the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees;

(*g*) one-half of the portion of the consideration paid under a contract by the corporation or partnership to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the contract was entered into, and paid again by that person or other partnership, under a particular contract, to a second-tier subcontractor that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the particular contract was entered into,

i. that can reasonably be attributed to pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, by the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees, or

ii. that can reasonably be attributed to pre-commercialization activities carried out on its behalf in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the second-tier subcontractor is a corporation, a shareholder of that second-tier subcontractor or who is a member of the second-tier subcontractor, where the latter is a partnership;

(*h*) the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes pre-commercialization activities to be carried out on its behalf, for work carried out in Québec in the year or fiscal period, as the case may be, relating to pre-commercialization activities carried out in any taxation year or fiscal period, to a person or another partnership with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the particular contract was entered into, and paid again by that person or other partnership, under another particular contract, to a second-tier subcontractor with which the corporation or a member of the partnership, as applicable, was not dealing at arm's length at the time the other particular contract was entered into and that has carried out all or part of the work, that can reasonably be attributed to wages paid to the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees;

(*i*) one-half of the portion of the consideration paid by the corporation or partnership under a particular contract, other than a contract by which it causes pre-commercialization activities to be carried out on its behalf, for work relating to pre-commercialization activities carried out in Québec in any taxation year or fiscal period, to a person or another partnership with which the corporation or a member of the partnership was not dealing at arm's length at the time the particular contract was entered into, and paid again by that person or other partnership, under another particular contract, to a second-tier subcontractor that has an establishment situated in Québec and with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the other particular contract was entered into,

i. that can reasonably be attributed to the work carried out in the year or fiscal period, as the case may be, by the employees of an establishment of the second-tier subcontractor situated in Québec or that could be so attributed if that second-tier subcontractor had such employees, or

ii. that can reasonably be attributed to the work carried out in Québec in the year or fiscal period, as the case may be, by an individual, other than a trust, who is, where the second-tier subcontractor is a corporation, a shareholder of that second-tier subcontractor or who is a member of the second-tier subcontractor, where the latter is a partnership;

(*j*) except to the extent that it is referred to in subparagraph *c*, one-half of the portion of a payment made by the corporation or partnership, under a contract, to an eligible public research centre, an eligible research consortium or an eligible university entity with which the corporation or each member of the partnership, as applicable, was dealing at arm's length at the time the contract was entered into, that can reasonably be attributed to expenditures that

i. are made for pre-commercialization activities carried out in Québec in the corporation's year or the partnership's fiscal period, as the case may be, and in respect of which the corporation or partnership is entitled to exploit the results, and

ii. would not be expenditures referred to in section 1029.8.21.16.5 in respect of the eligible public research centre, eligible research consortium or eligible university entity, as the case may be, if that centre, consortium or entity were a corporation; or (*k*) subject to the second paragraph, an expenditure of a capital nature, other than an expenditure described in subparagraph *k* of the first paragraph of section 1029.8.21.16.3, that is incurred by the corporation in the year or by the partnership in the fiscal period, as the case may be, and that relates to the acquisition of a property

i. all or substantially all of which is used solely in Québec for scientific research and experimental development or pre-commercialization activities undertaken or carried out by or on behalf of the corporation or partnership, as the case may be, and

ii. that, before its acquisition by the corporation or partnership, as applicable, was neither used for any purpose nor acquired to be used or leased for any purpose whatsoever.

For the purposes of subparagraph *k* of the first paragraph, the following rules apply:

(*a*) an expenditure of a capital nature does not include

i. an expenditure relating to the acquisition of land or of a leasehold interest in the land,

ii. an expenditure relating to the acquisition of a building, including a leasehold interest in the building, or

iii. an expenditure relating to the acquisition of a right of use of a building;

(*b*) an expenditure in respect of a property is deemed to have been incurred only from the time the property is considered to have become available for use; and

(*c*) no amount may be deemed to have been paid to the Minister by a corporation for a particular taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14, in relation to an expenditure referred to in subparagraph *k* of the first paragraph or its share of such an expenditure, where, at any time during the period described in the third paragraph, all or substantially all of the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, or a major breakdown of the property, to be used solely in Québec for pre-commercialization activities carried out, as the case may be,

i. by or on behalf of the corporation or partnership, as the case may be, or

ii. by a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion of subparagraph *c* before subparagraph i.

The period to which subparagraph *c* of the second paragraph refers is the period that begins on the particular day on which the property begins to be used by its first purchaser or by a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earliest of

(*a*) the last day of the property's expected useful life;

(*b*) the 730th day following the particular day; and

(*c*) the corporation's filing-due date for the particular taxation year or the last day of the six-month period following the end of the partnership's fiscal period that ends in the particular year, as the case may be.

For the purposes of the first paragraph, the following rules apply:

(*a*) unless otherwise provided in this division, the rules set out in Division XI of Chapter V of Title III of Book III for determining whether an expenditure is referred to in subsection 1 of section 222 apply, with the necessary modifications, to determine whether an expenditure, other than an expenditure referred to in subparagraph *k* of the first paragraph, is included in a corporation's or a partnership's expenditure relating to pre-commercialization activities; and

(*b*) the portion of the consideration paid by a corporation or a partnership under a contract that is referred to in any of subparagraphs *d*, *e*, *h* and *i* of the first paragraph is to be reduced by the amount of the consideration for the disposition of a property to the corporation or partnership, other than a property resulting from pre-commercialization activities.

"**1029.8.21.16.5.** Despite sections 1029.8.21.16.3 and 1029.8.21.16.4, the expenditure relating to scientific research and experimental development activities of a corporation or a partnership and the expenditure relating to pre-commercialization activities of a corporation or a partnership do not include

(*a*) an expenditure referred to in paragraph *a* or *b* of section 230.0.0.2;

(*b*) an expenditure specified for the purposes of clause A of subparagraph ii of paragraph *a* of subsection 2 of section 194 of the Income Tax Act (R.S.C. 1985, c. 1 (5th Suppl.));

(*c*) an expenditure of a current nature incurred by or on behalf of the corporation or partnership in respect of the general administration or management of a business, including

i. the administrative salary or wages, including related benefits, of a person none or substantially none of whose duties are oriented toward the prosecution of scientific research and experimental development or pre-commercialization activities, as the case may be, except to the extent that such expenditure is a prescribed expenditure,

ii. a legal or accounting fee,

iii. an amount referred to in any of sections 147, 148, 160, 161, 163, 176, 176.4 and 179,

iv. an entertainment expense,

v. an advertising or selling expense,

vi. a conference or convention expense,

vii. a due or fee in respect of membership in a scientific or technical organization, and

viii. a fine or penalty;

(*d*) an expenditure of a current nature incurred by or on behalf of the corporation or partnership for the maintenance and upkeep of premises, facilities or equipment to the extent that the expenditure is not attributable to the prosecution of scientific research and experimental development or pre-commercialization activities, as the case may be;

(*e*) an expenditure made to acquire rights in, or arising out of, scientific research and experimental development or pre-commercialization activities;

(*f*) an expenditure in respect of which an amount is deductible in computing taxable income under sections 710 to 716.0.11;

(*g*) an expenditure, to the extent that the corporation or partnership having incurred it or, where applicable, the person or partnership having incurred it on its behalf has received or is entitled to receive a reimbursement in respect of the expenditure from a person resident in Canada, other than

i. the State or His Majesty in right of Canada or a province, other than Québec,

ii. a mandatary of the State or of His Majesty in right of Canada or a province, other than Québec,

iii. a corporation, commission or association that is controlled, directly or indirectly in any manner whatsoever, by the State or His Majesty in right of Canada or a province, other than Québec, or by a mandatary of the State or of His Majesty in right of Canada or a province, other than Québec, or

iv. a municipality in Canada or a municipal or public body performing a function of government in Canada; and

(*h*) an expenditure, to the extent that the corporation or partnership having incurred it or, where applicable, the person or partnership having incurred it on its behalf has received or is entitled to receive a reimbursement in respect of the expenditure from a person not resident in Canada and to the extent that the reimbursement is deductible in computing the person's taxable income earned in Canada for a taxation year.

"§3.—*Expenditure limit eligible for a tax credit enhancement*

"**1029.8.21.16.6.** For the purposes of this division, a corporation's expenditure limit eligible for a tax credit enhancement for a taxation year is equal to

(*a*) where the corporation is not a member of an associated group in the year, $1,000,000; or

(*b*) where the corporation is a member of an associated group in the year,

i. the amount attributed for the year to the corporation pursuant to the agreement described in section 1029.8.21.16.7 and filed with the Minister in the prescribed form, or

ii. if no amount is attributed to the corporation under the agreement to which subparagraph i refers or in the absence of such an agreement, zero, subject to section 1029.8.21.16.8.

"**1029.8.21.16.7.** The agreement to which subparagraph i of paragraph *b* of section 1029.8.21.16.6 refers is the agreement under which all the corporations that are members of the associated group in the year attribute, for the purposes of this division, to one or more of their number, for the year, one or more amounts the total of which does not exceed $1,000,000.

Where the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the first paragraph and entered into by the corporations that are members of an associated group in the year exceeds $1,000,000, the amount determined under subparagraph i of paragraph *b* of section 1029.8.21.16.6 in respect of each of those corporations for the taxation year is deemed, for the purposes of this division, to be equal to the amount obtained by multiplying $1,000,000 by the proportion that the amount that was attributed to the corporation in the agreement, in respect of the year, is of the aggregate of the amounts that were so attributed.

"**1029.8.21.16.8.** Where corporations are part, in a taxation year, of an associated group and where a corporation that is a member of that group fails to file with the Minister the agreement to which subparagraph i of paragraph *b* of section 1029.8.21.16.6 refers within 30 days after notice in writing by the Minister has been sent to such a corporation that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister attributes, for the purposes of this division, an amount to one or more of those corporations for the taxation year, which amount or the aggregate of which amounts, as the case may be, must be equal to $1,000,000, and in such a case, despite subparagraph ii of that paragraph *b*, the expenditure limit eligible for a tax credit enhancement of each of those corporations that are members of that group, for the year, is equal to the amount so attributed to it.

"**1029.8.21.16.9.** Despite sections 1029.8.21.16.6 to 1029.8.21.16.8, the following rules apply:

(*a*) where a corporation that is a member of an associated group (in this paragraph referred to as the "first entity") has more than one taxation year ending in the same calendar year and is associated in at least two of those taxation years with another corporation that is a member of the group and that has a taxation year ending in that calendar year, the first entity's expenditure limit eligible for a tax credit enhancement for each particular taxation year that ends in the calendar year in which it is associated with the other corporation and after the first taxation year ending in that calendar year is, subject to paragraph *b*, an amount equal to the lesser of

i. its expenditure limit eligible for a tax credit enhancement for that first taxation year, determined without reference to this section, and

ii. its expenditure limit eligible for a tax credit enhancement for the particular taxation year, determined without reference to this section; and

(*b*) where a corporation's taxation year has fewer than 51 weeks, the corporation's expenditure limit eligible for a tax credit enhancement for the year is equal to the amount obtained by multiplying its expenditure limit eligible for a tax credit enhancement for the year, determined without reference to this paragraph, by the proportion that the number of days in the year is of 365.

"**1029.8.21.16.10.** Where it can reasonably be considered that one of the main reasons for the separate existence of two or more corporations in a taxation year is to increase the amount that a corporation is deemed to have paid to the Minister under this division for the year, those corporations are deemed, for the purposes of this division, to be associated with each other in the year.

"§4.—*Exclusion thresholds*

"**1029.8.21.16.11.** The exclusion threshold relating to scientific research and experimental development activities of a corporation for a taxation year or of a partnership for a fiscal period is equal to

(*a*) if the aggregate of the amount referred to in subparagraph *b* and the amount referred to in subparagraph *b* of the first paragraph of section 1029.8.21.16.12 for the year or fiscal period, as the case may be, is less than the product (in this subparagraph referred to as the "particular amount") obtained by multiplying $50,000 by the proportion that the number of days in the year or fiscal period, as the case may be, is of 365, the portion of the particular amount that is designated as such, in the prescribed form, by the corporation for the year or the partnership for the fiscal period, as the case may be, provided that portion

i. does not exceed the expenditure relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and

ii. is not less than the lesser of

(1) the amount by which the particular amount exceeds the expenditure relating to pre-commercialization activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and

(2) the expenditure relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be; or

(*b*) in any other case, the lesser of the expenditure relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and of the aggregate of all amounts each of which is determined in relation to a scientific research and experimental development employee in respect of the corporation or partnership, as the case may be, and is equal to the lesser of

i. the portion of the wages that is paid to the employee and taken into account in determining the expenditure relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and

ii. the amount determined in respect of the employee by the formula

$A \times (B/C)$.

In the formula in subparagraph ii of subparagraph *b* of the first paragraph,

(*a*) A is the product obtained by multiplying the amount in dollars mentioned in section 752.0.0.1 that, with reference to section 750.2, is applicable for the calendar year in which the corporation’s taxation year or the partnership’s fiscal period, as the case may be, begins by the proportion that the number of days in the period of that taxation year or fiscal period, as the case may be, during which the employee is in the employ of any of the following entities is of 365:

i. the corporation or partnership, as the case may be,

ii. a person or another partnership referred to in subparagraph *b* or *d* of the first paragraph of section 1029.8.21.16.3, or

iii. a second-tier subcontractor referred to in subparagraph *f* or *h* of the first paragraph of section 1029.8.21.16.3;

(*b*) B is the portion of the wages that is paid to the employee and taken into account in determining the expenditure relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be; and

(*c*) C is the portion of the wages paid by an entity listed in any of subparagraphs i to iii of subparagraph *a* to an employee in the corporation's taxation year or the partnership's fiscal period, as the case may be.

"**1029.8.21.16.12.** The exclusion threshold relating to pre-commercialization activities of a corporation for a taxation year or of a partnership for a fiscal period is equal to

(*a*) if the aggregate of the amount referred to in subparagraph *b* and the amount referred to in subparagraph *b* of the first paragraph of section 1029.8.21.16.11 for the year or fiscal period, as the case may be, is less than the particular amount referred to in subparagraph *a* of that first paragraph, the lesser of the expenditure relating to pre-commercialization activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and the amount by which the particular amount exceeds the exclusion threshold relating to scientific research and experimental development activities of the corporation for the year or of the partnership for the fiscal period, as the case may be; or

(*b*) in any other case, the lesser of the expenditure relating to pre-commercialization activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and the aggregate of all amounts each of which is determined in relation to a pre-commercialization employee in respect of the corporation or partnership, as the case may be, and is equal to the lesser of

i. the portion of the wages that is paid to the employee and taken into account in determining the expenditure relating to pre-commercialization activities of the corporation for the year or of the partnership for the fiscal period, as the case may be, and

ii. the amount determined in respect of the employee by the formula

$A \times (B/C)$.

In the formula in subparagraph ii of subparagraph *b* of the first paragraph,

(*a*) A is the product obtained by multiplying the amount in dollars mentioned in section 752.0.0.1 that, with reference to section 750.2, is applicable for the calendar year in which the corporation's taxation year or the partnership's fiscal period, as the case may be, begins by the proportion that the number of days in the period of that taxation year or fiscal period, as the case may be, during which the employee is in the employ of any of the following entities is of 365:

i. the corporation or partnership, as the case may be,

ii. a person or another partnership referred to in subparagraph *b* or *d* of the first paragraph of section 1029.8.21.16.4, or

iii. a second-tier subcontractor referred to in subparagraph *f* or *h* of the first paragraph of section 1029.8.21.16.4;

(*b*) B is the portion of the wages that is paid to the employee and taken into account in determining the expenditure relating to pre-commercialization activities of the corporation for the year or of the partnership for the fiscal period, as the case may be; and

(*c*) C is the portion of the wages paid by an entity listed in any of subparagraphs i to iii of subparagraph *a* to the employee in the corporation's taxation year or the partnership's fiscal period, as the case may be.

"§5.—*Credits*

"**1029.8.21.16.13.** A qualified corporation for a taxation year that encloses the documents referred to in the fourth paragraph with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the third paragraph and section 1029.8.21.16.15, to have paid to the Minister, on its 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

(*a*) the amount determined by the formula

$20\% \times [(A - B) + (C - D)]$; and

(*b*) an amount equal to 10% of the lesser of the corporation's expenditure limit eligible for a tax credit enhancement for the year and the amount determined by the formula

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

In the formulas in the first paragraph,

(*a*) A is the corporation's expenditure relating to scientific research and experimental development activities for the year;

(*b*) B is the corporation's exclusion threshold relating to scientific research and experimental development activities for the year;

(*c*) C is the corporation's expenditure relating to pre-commercialization activities for the year;

(*d*) D is the corporation's exclusion threshold relating to pre-commercialization activities for the year;

(*e*) E is the portion of the corporation's expenditure relating to scientific research and experimental development activities designated by the corporation in the prescribed form for the year; and

(*f*) F is the portion of the corporation's expenditure relating to pre-commercialization activities designated by the corporation in the prescribed form for the year.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

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

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

The documents to which the first paragraph refers are the following:

(*a*) the prescribed form containing prescribed information; and

(*b*) the agreement described in section 1029.8.21.16.7, where applicable.

"**1029.8.21.16.14.** A corporation, other than an excluded corporation, that is a member of a qualified partnership at the end of a fiscal period of the partnership ending in a taxation year of the corporation, that is not a specified member of the partnership for the fiscal period and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the third paragraph and section 1029.8.21.16.15, to have paid to the Minister, on its balance-due day for the year, on account of its tax payable for the year under this Part, the amount determined by the formula

$$20\% \times [(A - B) + (C - D)].$$

In the formula in the first paragraph,

(*a*) A is the corporation's share of the partnership's expenditure relating to scientific research and experimental development activities for the fiscal period;

(*b*) B is the corporation's share of the partnership's exclusion threshold relating to scientific research and experimental development activities for the fiscal period;

(*c*) C is the corporation's share of the partnership's expenditure relating to pre-commercialization activities for the fiscal period; and

(*d*) D is the corporation's share of the partnership's exclusion threshold relating to pre-commercialization activities for the fiscal period.

For the purpose of computing the payments that a corporation is required to make under subparagraph *a* of the first paragraph of section 1027, or any of sections 1159.7, 1175 and 1175.19 where they refer to that subparagraph *a*, the corporation is deemed to have paid to the Minister, on account of the aggregate of its tax payable for the year under this Part and of its tax payable for the year under Parts IV.1, VI and VI.1, on the date on or before which each payment is required to be made, an amount equal to the lesser of

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

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

"**1029.8.21.16.15.** A corporation may be deemed to have paid an amount to the Minister on account of its tax payable for a taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14 in respect of an expenditure that is a portion of a consideration referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be, only if, within the time limit provided for in the first paragraph of section 1029.6.0.1.2 that applies to it for the year, the corporation files with the Minister the prescribed form referred to in that paragraph and containing the following information:

(*a*) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *c* or *e* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be,

i. the name of the person or other partnership referred to in that subparagraph with which the corporation or the partnership of which it is a member has entered into the contract or particular contract, as the case may be, referred to in that subparagraph, the registration number assigned to that person or other partnership in accordance with the Act respecting the Québec sales tax (chapter T-0.1) and, if the person is an individual, the person's Social Insurance Number,

ii. the total amount of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph in respect of the scientific research and experimental development, work relating to the scientific research and experimental development, pre-commercialization activities or work relating to such activities, as the case may be, referred to in that section, and

iii. the amount of the portion of the consideration provided for in the contract or particular contract, as the case may be, referred to in that subparagraph that is paid in the year or, where the corporation is a member of a partnership, in the partnership's fiscal period ending in the year, in respect of the scientific research and experimental development, work relating to the scientific research and experimental development, pre-commercialization activities or work relating to such activities, as the case may be, referred to in that section;

(*b*) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *g* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be,

i. the name of the second-tier subcontractor referred to in that subparagraph with which the person or other partnership has entered into the particular contract referred to in that subparagraph, the registration number assigned to that second-tier subcontractor in accordance with the Act respecting the Québec sales tax and, if the second-tier subcontractor is an individual, the subcontractor's Social Insurance Number,

ii. the total amount of the consideration provided for in the particular contract referred to in that subparagraph that is to be paid to the second-tier subcontractor and that relates to scientific research, experimental development or pre-commercialization activities referred to in that section that the corporation or the partnership of which it is a member causes to be undertaken or carried out on its behalf under the contract referred to in that subparagraph that the corporation or the partnership of which it is a member has entered into with the person or other partnership referred to in that subparagraph, and

iii. the amount of the portion of the consideration provided for in the particular contract referred to in that subparagraph that is paid in the year or, where the corporation is a member of a partnership, in the partnership's fiscal period ending in the year, to the second-tier subcontractor and that relates to scientific research, experimental development or pre-commercialization activities referred to in that section that the corporation or the partnership of which it is a member causes to be undertaken or carried out on its behalf under the contract referred to in that subparagraph that the corporation or the partnership of which it is a member has entered into with the person or other partnership referred to in that subparagraph; or

(*c*) in the case of an expenditure that is a portion of a consideration referred to in subparagraph *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be,

i. the name of the second-tier subcontractor referred to in that subparagraph with which the person or other partnership has entered into the other particular contract referred to in that subparagraph, the registration number assigned to that second-tier subcontractor in accordance with the Act respecting the Québec sales tax and, if the second-tier subcontractor is an individual, the second-tier subcontractor's Social Insurance Number,

ii. the total amount of the consideration provided for in the other particular contract referred to in that subparagraph that is to be paid to the second-tier subcontractor and that relates to the work relating to scientific research and experimental development or the work relating to pre-commercialization activities referred to in that section that the corporation or the partnership of which it is a member causes to be undertaken or carried out under the particular contract referred to in that subparagraph that the corporation or the partnership of which it is a member has entered into with the person or other partnership referred to in that subparagraph, and

iii. the amount of the portion of the consideration provided for in the other particular contract referred to in that subparagraph that is paid in the year or, where the corporation is a member of a partnership, in the partnership's fiscal period ending in the year, to the second-tier subcontractor and that relates to the work relating to scientific research and experimental development or the work relating to pre-commercialization activities referred to in that section that the corporation or the partnership of which it is a member causes to be undertaken or carried out under the particular contract referred to in that subparagraph that the corporation or the partnership of which it is a member has entered into with the person or other partnership referred to in that subparagraph.

"§6. — *Government assistance, non-government assistance and contract payments*

"**1029.8.21.16.16.** For the purpose of computing the amount that a corporation is deemed to have paid to the Minister for a taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14, the following rules apply:

(*a*) the amount of an expenditure referred to in the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 (in this section referred to as the "expenditure concerned") is to be reduced, where applicable, by the aggregate of all amounts each of which is a contract payment or an amount of government assistance or non-government assistance attributable to the expenditure concerned that the corporation has received, is entitled to receive or can reasonably expect to receive, on or before the corporation's filing-due date for that year;

(*b*) the corporation's share of the amount of an expenditure concerned of a partnership of which the corporation is a member is to be reduced, where applicable,

i. by the corporation's share of the aggregate of all amounts each of which is a contract payment or an amount of government assistance or non-government assistance attributable to the expenditure concerned that the partnership has received, is entitled to receive or can reasonably expect to receive, on or before the day that is six months after the end of the partnership's fiscal period in which the expenditure concerned was made, or

ii. by the aggregate of all amounts each of which is an amount of government assistance or non-government assistance attributable to the expenditure concerned that the corporation has received, is entitled to receive or can reasonably expect to receive, on or before the day that is six months after the end of the partnership's fiscal period in which the expenditure concerned was made; and

(*c*) where the corporation or a partnership of which the corporation is a member has entered into a contract with a person or another partnership with which the corporation, or a member of the partnership, as applicable, was not dealing at arm's length at the time the contract was entered into,

i. the amount of a portion of a consideration paid referred to in subparagraph *b* or *d* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be, is to be reduced, where applicable, by the aggregate of all amounts each of which is a contract payment or an amount of government assistance or non-government assistance that is attributable to the wages paid to the employees of an establishment of the person or of the other partnership situated in Québec that are referred to in that subparagraph or to the portion of an expenditure incurred in respect of the wages of the employees of an establishment of the person or of the other partnership situated in Québec that is referred to in that subparagraph, or that would be so attributable if the person or the other partnership had such employees, and that the person or the other partnership has received, is entitled to receive or can reasonably expect to receive, on or before the corporation's filing-due date for the year, or the day that is six months after the end of the particular partnership's fiscal period that ends in the year, as the case may be, and

ii. the amount of a portion of a consideration paid referred to in subparagraph *f* or *h* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be, is to be reduced, where applicable, by the aggregate of all amounts each of which is a contract payment or an amount of government assistance or non-government assistance that is

(1) attributable to that portion of consideration and that the person or the other partnership has received, is entitled to receive or can reasonably expect to receive, on or before the corporation's filing-due date for the year, or the day that is six months after the end of the partnership's fiscal period that ends in the year, as the case may be, or

(2) attributable to the wages paid to the employees of an establishment of a second-tier subcontractor situated in Québec that are referred to in that subparagraph, or to the portion of an expenditure incurred in respect of the wages of the employees of an establishment of a second-tier subcontractor situated in Québec that is referred to in that subparagraph, or that would be so attributable if the second-tier subcontractor had such employees, and that the second-tier subcontractor referred to in that subparagraph has received, is entitled to receive or can reasonably expect to receive, on or before the corporation's filing-due date for the year, or the day that is six months after the end of the partnership's fiscal period that ends in the year, as the case may be.

"**1029.8.21.16.17.** Where a corporation pays, in a taxation year (in this section referred to as the "repayment year"), pursuant to a legal obligation, an amount that can reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of paragraph *a* of section 1029.8.21.16.16, an expenditure referred to in the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 (in this section referred to as the "expenditure concerned") of the corporation for a particular taxation year, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.21.16.13 for that particular year, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that it would be deemed to have paid to the Minister, in respect of the expenditure concerned for the particular year, under section 1029.8.21.16.13 for the particular year, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in paragraph *a* of section 1029.8.21.16.16, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, in respect of the expenditure concerned, under section 1029.8.21.16.13 for the particular year; and

(*b*) any amount that the corporation is deemed to have paid to the Minister under this section for a taxation year preceding the repayment year, in respect of an amount of repayment of such assistance.

"**1029.8.21.16.18.** Where a partnership pays, in a fiscal period (in this section referred to as the "fiscal period of repayment"), pursuant to a legal obligation, an amount that can reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph i of paragraph *b* of section 1029.8.21.16.16, a corporation's share of an expenditure referred to in the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 (in this section referred to as the "expenditure concerned") of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership's expenditure concerned for the particular fiscal period, under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.21.16.14, for its taxation year in which the particular fiscal period ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph i of paragraph *b* of section 1029.8.21.16.16; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

“**1029.8.21.16.19.** Where a corporation is a member of a partnership at the end of a fiscal period of the partnership (in this section referred to as the “fiscal period of repayment”) and pays, in that fiscal period, pursuant to a legal obligation, an amount that can reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of subparagraph ii of paragraph *b* of section 1029.8.21.16.16, its share of an expenditure referred to in the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 (in this section referred to as the “expenditure concerned”) of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ended, the corporation is deemed to have paid to the Minister on the corporation’s balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership’s expenditure concerned for the particular fiscal period, under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.21.16.14, for its taxation year in which the particular fiscal period ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment; and

(*b*) any amount that the corporation would be deemed to have paid to the Minister under this section for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the corporation, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in subparagraph ii of paragraph *b* of section 1029.8.21.16.16; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.21.16.20.** Where, in a taxation year of a corporation (in this section referred to as the "repayment year") or in a fiscal period of a partnership (in this section referred to as the "fiscal period of repayment"), a person, another partnership or a second-tier subcontractor, referred to in paragraph *c* of section 1029.8.21.16.16, pays, pursuant to a legal obligation, an amount that can reasonably be considered to be a repayment of government assistance or non-government assistance that reduced, because of that paragraph *c*, an expenditure referred to in the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 (in this section referred to as the "expenditure concerned") of the corporation for a particular taxation year, for the purpose of computing the amount that it is deemed to have paid to the Minister under section 1029.8.21.16.13 for that particular year, or a corporation's share of an expenditure concerned of the partnership for a particular fiscal period, for the purpose of computing the amount that the corporation is deemed to have paid to the Minister under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ended, as the case may be,

(*a*) the corporation is deemed to have paid to the Minister on the corporation's balance-due day for the repayment year, on account of its tax payable for that year under this Part, if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the repayment year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is an amount that it would be deemed to have paid to the Minister, in respect of the expenditure concerned for the particular year, under section 1029.8.21.16.13 for the particular year, if any amount of such assistance so repaid at or before the end of the repayment year had reduced, for the particular year, the amount of any government assistance or non-government assistance referred to in paragraph *c* of section 1029.8.21.16.16, exceeds the aggregate of

i. the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister, in respect of the expenditure concerned, under section 1029.8.21.16.13 for the particular year, and

ii. any amount that the corporation is deemed to have paid to the Minister under this subparagraph *a* for a taxation year preceding the repayment year, in respect of an amount of repayment of such assistance; or

(*b*) the corporation is deemed to have paid to the Minister on the corporation's balance-due day for its taxation year in which the fiscal period of repayment ends, on account of its tax payable for that year under this Part, if the corporation is a member of the partnership at the end of the fiscal period of repayment and if it encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, an amount equal to the amount by which the aggregate of all amounts each of which is a particular amount that the corporation would be deemed, if the assumptions set out in the second paragraph were taken into account, to have paid to the Minister, in respect of its share of the partnership's expenditure concerned for the particular fiscal period, under section 1029.8.21.16.14 for its taxation year in which the particular fiscal period ends, exceeds the aggregate of

i. the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister, in respect of that share, under section 1029.8.21.16.14, for its taxation year in which the particular fiscal period ends, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment, and

ii. any amount that the corporation would be deemed to have paid to the Minister under this subparagraph *b* for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in respect of an amount of such assistance repaid by the partnership, if the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

The particular amount to which subparagraph *b* of the first paragraph refers is to be computed as if

(*a*) any amount of assistance repaid at or before the end of the fiscal period of repayment reduced, for the particular fiscal period, the amount of any government assistance or non-government assistance referred to in paragraph *c* of section 1029.8.21.16.16; and

(*b*) the agreed proportion in respect of the corporation for the particular fiscal period were the same as that for the fiscal period of repayment.

"**1029.8.21.16.21.** For the purposes of sections 1029.8.21.16.17 to 1029.8.21.16.20, an amount of assistance received by a person or a partnership, as the case may be, is deemed to be repaid by the person or partnership at a particular time, pursuant to a legal obligation, if that amount

(*a*) reduced, because of section 1029.8.21.16.16, the amount of an expenditure for the purpose of computing the amount that a corporation or a corporation that is a member of a partnership is deemed to have paid to the Minister for a taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14;

(*b*) was not received by the person or partnership; and

(*c*) ceased, at the particular time, to be an amount that the person or partnership can reasonably expect to receive.

"§7. — *Other reduction rules*

"**1029.8.21.16.22.** Where, in respect of a scientific research and experimental development project referred to in section 1029.8.21.16.3 or of a pre-commercialization project referred to in section 1029.8.21.16.4, or in respect of the carrying out of such a project, a person or a partnership has obtained, is entitled to obtain or can reasonably expect to obtain a benefit or an advantage, whether in the form of a reimbursement, compensation or guarantee, in the form of proceeds of disposition of a property which exceed the fair market value of that property or in any other form or manner, and it can reasonably be considered that the direct or indirect effect of that benefit or advantage is to compensate or indemnify a party to the project or to otherwise benefit such a party, in any manner whatsoever, for the purpose of computing the amount that is deemed to have been paid to the Minister, for a taxation year, by a corporation under section 1029.8.21.16.13 or 1029.8.21.16.14, the amount of the expenditure relating to scientific research and experimental development activities or of the expenditure relating to pre-commercialization activities, as the case may be, is to be reduced by the amount of the benefit or advantage which the person or the partnership has obtained, is entitled to obtain or can reasonably expect to obtain on or before the corporation's filing-due date for that taxation year.

"**1029.8.21.16.23.** Despite sections 1029.8.21.16.13 and 1029.8.21.16.14, where a corporation or a partnership causes scientific research and experimental development or pre-commercialization activities to be undertaken or carried out by an eligible public research centre, an eligible research consortium or an eligible university entity and the payment made or to be made by the corporation or the partnership for the scientific research and experimental development or the pre-commercialization activities does not consist in whole of currency, the corporation or a corporation that is a member of the partnership, as the case may be, may not be deemed to have paid an amount to the Minister under either of those sections in respect of all or any part of the payment that cannot reasonably be considered to have been made or to be made in currency.

"**1029.8.21.16.24.** Despite sections 1029.8.21.16.13 and 1029.8.21.16.14, where, in respect of a project for which an expenditure relating to scientific research and experimental development activities or an expenditure relating to pre-commercialization activities is incurred that consists of the portion of a consideration referred to in subparagraph *c* or *g* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, or in respect of the carrying out of the project, a taxpayer, a partnership, a member of that partnership, a person not dealing at arm's length with the taxpayer, the partnership or a member of the partnership, or any other person designated by the Minister, has obtained, is entitled to obtain, can reasonably expect to obtain or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain, from a person or partnership that is a party to the project, from a person or partnership not dealing at arm's length with that person or partnership, or from any other person or partnership designated by the Minister, a contribution, a corporation or a corporation that is a member of a partnership, as the case may be, that, but for this section, would have been deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of the portion of consideration, in relation to the project, is deemed not to be deemed to have paid an amount to the Minister under that section, in respect of the portion of consideration, in relation to the project.

Despite sections 1029.8.21.16.13 and 1029.8.21.16.14, where, in respect of a contract for work relating to scientific research and experimental development or to pre-commercialization activities under which an expenditure relating to scientific research and experimental development activities or an expenditure relating to pre-commercialization activities is incurred that consists of the portion of a consideration referred to in subparagraph *e* or *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, or in respect of the performance of the contract, a taxpayer, a partnership, a member of that partnership, a person not dealing at arm's length with the taxpayer, the partnership or a member of the partnership, or any other person designated by the Minister, has obtained, is entitled to obtain, can reasonably expect to obtain or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain, from a person or partnership that is a party to the work relating to the scientific research and experimental development or to the pre-commercialization activities, from a person or partnership not dealing at arm's length with that person or partnership, or from any other person or partnership designated by the Minister, a contribution, a corporation or a corporation that is a member of a partnership, as the case may be, that, but for this section, would have been deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of the portion of consideration, in relation to the contract, is deemed not to be deemed to have paid an amount to the Minister under that section, in respect of the portion of consideration, in relation to the contract.

A contribution to which this section refers, in respect of a project or contract relating to scientific research and experimental development or to pre-commercialization activities, or in respect of the carrying out of the project or the performance of the contract, means

(*a*) a former, present or future right in the proceeds of disposition of all or part of the intellectual property arising from the project or contract, as the case may be; or

(*b*) a property designated by the Minister as being a contribution.

"**1029.8.21.16.25.** Despite the first paragraph of section 1029.8.21.16.24, a corporation may be deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, in respect of the portion of a consideration referred to in subparagraph *c* or *g* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, in relation to a project referred to in that paragraph for which work relating to the expenditure relating to scientific research and experimental development activities or to the expenditure relating to pre-commercialization activities is carried out, in whole or in part, on behalf of the corporation or the partnership of which the corporation is a member, by another person or partnership if, were it not for that paragraph, an amount would have been deemed to have been paid to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of that portion of consideration and if each contribution referred to in that paragraph, in respect of the project or the carrying out thereof, constitutes an expenditure made by the other person or partnership or, where subparagraph *g* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be, applies, by the other person or partnership referred to in that subparagraph, to carry out the work, in whole or in part.

Despite the second paragraph of section 1029.8.21.16.24, a corporation may be deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, in respect of the portion of a consideration referred to in subparagraph *e* or *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, in relation to a contract referred to in that paragraph for which work relating to the expenditure relating to scientific research and experimental development activities or to the expenditure relating to pre-commercialization activities is carried out, in whole or in part, on behalf of the corporation or the partnership of which the corporation is a member, by another person or partnership if, were it not for that paragraph, an amount would have been deemed to have been paid to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of that portion of consideration and if each contribution referred to in that paragraph, in respect of the contract or the performance of the contract, constitutes an expenditure made by the other person or partnership or, where subparagraph *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, as the case may be, applies, by the other person or partnership referred to in that subparagraph, to carry out the work, in whole or in part.

Where a corporation is referred to in the first or second paragraph, the amount deemed to have been paid to the Minister, under section 1029.8.21.16.13 or 1029.8.21.16.14, in respect of the portion of a consideration referred to in any of subparagraphs *c*, *e*, *g* and *i* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, is to be determined only on the portion of the expenditure relating to scientific research and experimental development activities or of the expenditure relating to pre-commercialization activities, as the case may be, in respect of which an amount was otherwise deemed to have been paid to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, in respect of the portion of a consideration referred to in any of those subparagraphs *c*, *e*, *g* and *i*, reduced by the amount of a contribution referred to in the first paragraph of section 1029.8.21.16.24 in respect of the project or the carrying out thereof or in the second paragraph of that section in respect of the contract or the performance thereof, as the case may be.

“**1029.8.21.16.26.** Despite sections 1029.8.21.16.13 and 1029.8.21.16.14, where, in respect of a project for which an expenditure relating to scientific research and experimental development activities or an expenditure relating to pre-commercialization activities is incurred that consists of wages or the portion of a consideration referred to in any of subparagraphs *a*, *b* and *f* of the first paragraph of sections 1029.8.21.16.3 and 1029.8.21.16.4, or in respect of the carrying out of the project, a corporation, a partnership, a member of that partnership, a person not dealing at arm’s length with the corporation, the partnership or a member of the partnership, or any other person designated by the Minister, has obtained, is entitled to obtain, can reasonably expect to obtain or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain, from a person or partnership that is a party to the project, from a person or partnership not dealing at arm’s length with that person or partnership, or from any other person or partnership designated by the Minister, a contribution, the corporation or a corporation that is a member of the partnership, as the case may be, is deemed not to be deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of the wages or the portion of consideration, in relation to the project.

Despite sections 1029.8.21.16.13 and 1029.8.21.16.14, where, in respect of a contract for work relating to scientific research and experimental development or to pre-commercialization activities under which an expenditure relating to scientific research and experimental development activities or an expenditure relating to pre-commercialization activities is incurred that consists of the portion of a consideration referred to in subparagraph *d* or *h* of the first paragraph of sections 1029.8.21.16.3 and 1029.8.21.16.4, or in respect of the performance of the contract, a corporation, a partnership of which the corporation is a member, a member of that partnership, a person not dealing at arm's length with the corporation, the partnership or a member of the partnership, or any other person designated by the Minister, has obtained, is entitled to obtain, can reasonably expect to obtain or, upon a determination by the Minister to that effect, is deemed to have obtained or to be entitled to obtain, from a person or partnership that is a party to the work, from a person or partnership not dealing at arm's length with that person or partnership, or from any other person or partnership designated by the Minister, a contribution, the corporation or a corporation that is a member of the partnership, as the case may be, is deemed not to be deemed to have paid an amount to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.14, as the case may be, in respect of the portion of consideration, in relation to the contract.

A contribution to which this section refers, in respect of a project or contract relating to scientific research and experimental development or to pre-commercialization activities, or in respect of the carrying out of the project or the performance of the contract, means

(*a*) a former, present or future right in the proceeds of disposition of all or part of the intellectual property arising from the project or contract, as the case may be; or

(*b*) a property designated by the Minister as being a contribution.

"§8. — *Various rules*

"**1029.8.21.16.27.** Where a corporation carries on a business in Québec in a taxation year by reason of an arrangement, a transaction or an event or of a series of arrangements, transactions or events and it can reasonably be considered that one of the purposes of the arrangement, transaction or event or of the series of arrangements, transactions or events is to cause the corporation to carry on the business so as to allow the corporation to be deemed to have paid an amount to the Minister for that taxation year under section 1029.8.21.16.13, the corporation is, for the purposes of that section, deemed not to carry on the business in that year by reason of the arrangement, transaction or event or of the series of arrangements, transactions or events unless the corporation is, by reason of the arrangement, transaction or event or of the series of arrangements, transactions or events, a member of a partnership other than a specified member of that partnership.

“**1029.8.21.16.28.** In applying this division in respect of a particular corporation, scientific research and experimental development and pre-commercialization activities related to a business carried on by another corporation to which the particular corporation is related, otherwise than by reason of a right referred to in paragraph *b* of section 20, and in which that other corporation is actively engaged at the time at which an expenditure or payment in respect of the scientific research and experimental development or the pre-commercialization activities is made by the particular corporation, are to be considered to be related to a business of the particular corporation at that time.

“**1029.8.21.16.29.** In determining, for the purposes of this division, whether work carried out by or on behalf of a partnership constitutes scientific research and experimental development, the references in subsection 3 of section 222 to “taxpayer” are to be read as references to “partnership”.

“**1029.8.21.16.30.** A corporation may not be deemed to have paid an amount to the Minister on account of its tax payable for a particular taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14 in respect of an expenditure relating to scientific research and experimental development if that expenditure is deemed not to be an expenditure relating to scientific research and experimental development, for the purposes of Division XI of Chapter V of Title III of Book III, because of the application of section 230.0.0.5.

“**1029.8.21.16.31.** A corporation may not be deemed to have paid an amount to the Minister on account of its tax payable for a particular taxation year under section 1029.8.21.16.13 or 1029.8.21.16.14 in respect of all or part of an expenditure that can 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 to a taxation year of a corporation or a fiscal period of a partnership that begins after 25 March 2025.

95. Section 1029.8.21.22 of the Act is amended by inserting “that begins before 26 March 2025” after “taxation year” in the first paragraph.

96. Section 1029.8.21.23 of the Act is amended by inserting "that begins before 26 March 2025" after "in a fiscal period" in the first paragraph.

97. (1) The heading of Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

"CREDIT FOR THE DEVELOPMENT OF E-BUSINESS INTEGRATING ARTIFICIAL INTELLIGENCE FUNCTIONALITIES".

(2) Subsection 1 applies from 1 January 2026.

98. (1) Section 1029.8.36.0.3.80 of the Act is amended

(1) by replacing "qualification certificate" in the first paragraph and in subparagraph *b* of the third paragraph by "certificate";

(2) by replacing the fourth paragraph by the following paragraphs:

"The percentage to which the first paragraph refers is, as the case may be,

(*a*) where the taxation year begins before 1 January 2025, 24%;

(*b*) where the taxation year begins after 31 December 2024 but before 1 January 2026, 23%;

(*c*) where the taxation year begins after 31 December 2025 but before 1 January 2027, either

i. 11%, if the total of the proportions described in the fifth paragraph is at least 50%, or

ii. 22%, in any other case;

(*d*) where the taxation year begins after 31 December 2026 but before 1 January 2028, either

i. 10.5%, if the total of the proportions described in the fifth paragraph is at least 50%, or

ii. 21%, in any other case; or

(*e*) where the taxation year begins after 31 December 2027, either

i. 10%, if the total of the proportions described in the fifth paragraph is at least 50%, or

ii. 20%, in any other case.

The proportions to which subparagraph i of each of subparagraphs *c* to *e* of the fourth paragraph refers are the proportions of the corporation's gross revenue that, in accordance with subparagraphs 3 and 4 of the third paragraph of section 13.3 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1), are specified, if applicable, in the certificate referred to in the first paragraph that was issued to the corporation for the taxation year."

(2) Paragraph 2 of subsection 1 applies to a taxation year that begins after 31 December 2025.

99. (1) Section 1029.8.36.166.60.36 of the Act is amended, in the definition of "territory with low economic vitality" in the first paragraph,

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

"i. Municipalité régionale de comté d'Abitibi-Ouest, except in respect of expenses incurred before 20 June 2025,

"i.1. Municipalité régionale de comté d'Antoine-Labelle,

"ii. Municipalité régionale de comté d'Argenteuil, except in respect of expenses incurred after 30 June 2025 to acquire a property after that date,";

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

"vi. Municipalité régionale de comté de la Côte-de-Gaspé, except in respect of expenses incurred after 31 March 2023 to acquire a property after that date,";

(3) by inserting the following subparagraphs after subparagraph xii of paragraph *a*:

"xii.1. Municipalité régionale de comté de L'Islet, except in respect of expenses incurred before 20 June 2025,

"xii.2. Municipalité régionale de comté de Manicouagan, except in respect of expenses incurred before 20 June 2025,";

(4) by inserting ", except in respect of expenses incurred before 1 July 2021" after "Maskinongé" in subparagraph xiii.1 of paragraph *a*;

(5) by inserting the following subparagraph after subparagraph xiii.1 of paragraph *a*:

"xiv. Municipalité régionale de comté de Matawinie, except in respect of expenses incurred after 30 June 2025 to acquire a property after that date,";

(6) by inserting the following subparagraph after subparagraph xv of paragraph *a*:

"xv.0.1. Municipalité régionale de comté de Montmagny, except in respect of expenses incurred before 20 June 2025,";

(7) by replacing subparagraph xv.1 of paragraph *a* by the following subparagraph:

"xv.1. Municipalité régionale de comté de Papineau, except in respect of

(1) expenses incurred before 1 July 2021, and

(2) expenses incurred after 30 June 2027 to acquire a property after that date,";

(8) by replacing subparagraph xvi.1 of paragraph *a* by the following subparagraph:

"xvi.1. Municipalité régionale de comté de Témiscamingue, except in respect of

(1) expenses incurred before 1 April 2023, and

(2) expenses incurred after 30 June 2027 to acquire a property after that date,";

(9) by inserting ", except in respect of expenses incurred after 30 June 2027 to acquire a property after that date" after "Appalaches" in subparagraph xviii of paragraph *a*;

(10) by inserting ", except in respect of expenses incurred after 30 June 2027 to acquire a property after that date" after "Etchemins" in subparagraph xx of paragraph *a*;

(11) by inserting ", except in respect of expenses incurred before 1 July 2021" after "Domaine-du-Roy" in subparagraph xxi.1 of paragraph *a*;

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

"(*b*) either of the following urban agglomerations:

i. Communauté maritime des Îles-de-la-Madeleine, as described in section 9 of the Act respecting the exercise of certain municipal powers in certain urban agglomerations (chapter E-20.001), except in respect of expenses incurred after 31 March 2023 to acquire a property after that date, or

ii. 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; or".

(2) Paragraph 1 of subsection 1, where it enacts subparagraph i of paragraph *a* of the definition of "territory with low economic vitality" in the first paragraph of section 1029.8.36.166.60.36 of the Act, and paragraphs 3 and 6 of subsection 1 apply in respect of expenses incurred to acquire a property after 19 June 2025, unless it is a property acquired pursuant to an obligation in writing entered into on or before 19 June 2025 or the construction of which had begun by that date.

(3) Paragraph 1 of subsection 1, except where it enacts subparagraph i of paragraph *a* of the definition of "territory with low economic vitality" in the first paragraph of section 1029.8.36.166.60.36 of the Act, and paragraphs 2, 4, 5 and 7 to 12 of subsection 1 have effect from 19 June 2025.

100. (1) Section 1029.8.36.167 of the Act is amended, in the first paragraph,

(1) by replacing paragraph *a*.0.1 of the definition of "eligible expenses" by the following paragraph:

"(*a*.0.1) any Canadian exploration expense (other than that described in paragraph *a*.1 or *d*.2) that would be described in paragraph *c* of section 395 if the reference therein to "mineral resource in Canada" were a reference to "mineral resource in Québec, but outside the northern exploration zone, other than coal," and if, where the expense is incurred by the partnership, the partnership were deemed to be a taxpayer whose taxation year is the partnership's fiscal period;";

(2) by replacing paragraph *c*.0.1 of the definition of "eligible expenses" by the following paragraph:

"(*c*.0.1) any Canadian exploration expense that is incurred after 17 March 2016 (other than that described in paragraph *d*.2) and that would be described in paragraph *c* of section 395 if the reference therein to "mineral resource in Canada" were a reference to "mineral resource in the northern exploration zone, other than coal," and if, where the expense is incurred by the partnership, the partnership were deemed to be a taxpayer whose taxation year is the partnership's fiscal period;";

(3) by inserting the following paragraphs after paragraph *d* of the definition of "eligible expenses":

"(*d*.1) any Canadian development expense (other than that described in paragraph *d*.2) that is incurred after 25 March 2025 and that would be described in paragraph *b*.0.2 or *b*.1 of section 408 if the reference to "Canada" in paragraph *b*.0.2 and subparagraph i of paragraph *b*.1 of that section 408 were a reference to "Québec" and if, where the expense is incurred by the partnership, the partnership were deemed to be a taxpayer whose taxation year is the partnership's fiscal period;

“(*d*.2) any expense mainly attributable to a critical mineral, a strategic mineral or a combination of both that is incurred after 25 March 2025 and before 1 January 2030, that is paid before 1 January 2030 and that consists of any Canadian exploration expense that would be described in paragraph *c* of section 395 or any Canadian development expense that would be described in paragraph *b*.0.2 or *b*.1 of section 408 if the reference to “mineral resource in Canada” in that paragraph *c* of section 395, that paragraph *b*.0.2 and subparagraph i of that paragraph *b*.1 of section 408 were a reference to “mineral resource in Québec” and if, where the expense is incurred by the partnership, the partnership were deemed to be a taxpayer whose taxation year is the partnership’s fiscal period;”;

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

““critical mineral” means antimony, bismuth, cadmium, cesium, copper, gallium, indium, tellurium, tin or zinc;

““strategic mineral” means cobalt, graphite (natural), lithium, magnesium, nickel, niobium, platinum group elements, rare earth elements, scandium, tantalum, titanium or vanadium;”.

(2) Subsection 1 has effect from 25 March 2025.

101. (1) The Act is amended by inserting the following sections after section 1029.8.36.167.1:

“**1029.8.36.167.2.** For the purposes of this division, the balance of a qualified corporation’s cumulative eligible expense limit for a particular taxation year is equal to

(*a*) where the qualified corporation is not a member of an associated group in the particular year, the amount by which $100,000,000 exceeds the total of

i. the aggregate of all amounts each of which is the corporation’s eligible expenses, for a taxation year (in this subparagraph *a* referred to as the “preceding year concerned”) that ends in the 48-month period preceding the beginning of the particular year, that are incurred after 25 March 2025 and in respect of which an amount is deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.168 or 1029.8.36.170, and

ii. the aggregate of all amounts each of which is the corporation’s share of a partnership’s eligible expenses, for a fiscal period of the partnership that ends in a preceding year concerned, that are incurred after 25 March 2025 and in respect of which an amount is deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.169 or 1029.8.36.171; or (*b*) where the qualified corporation is a member of an associated group in the particular year,

i. the amount attributed for the particular year to the corporation pursuant to the agreement described in the second paragraph and filed with the Minister in the prescribed form, or

ii. if no amount is attributed to the corporation under the agreement to which subparagraph i refers or in the absence of such an agreement but subject to section 1029.8.36.167.3, zero.

The agreement to which subparagraph i of subparagraph *b* of the first paragraph refers, in respect of a particular taxation year of the qualified corporation, is the agreement under which all the corporations that are members of the associated group in the particular taxation year attribute, for the purposes of this section, to one or more of the corporations that are members of the associated group, for the particular taxation year, one or more amounts the total of which is not greater than the amount by which $100,000,000 exceeds the total of

(*a*) the aggregate of all amounts each of which is the eligible expenses of a corporation that is a member of the associated group in the particular year, for a taxation year (in this paragraph referred to as the "preceding year concerned") that ends in a 48-month period preceding the beginning of the particular year, that are incurred after 25 March 2025 and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.168 or 1029.8.36.170; and

(*b*) the aggregate of all amounts each of which is the share of a corporation that is a member of the associated group in the particular year of a partnership's eligible expenses, for a fiscal period of the partnership that ends in a preceding year concerned of the corporation, that are incurred after 25 March 2025 and in respect of which an amount would be deemed to have been paid to the Minister by the corporation for the preceding year concerned under section 1029.8.36.169 or 1029.8.36.171.

Where the aggregate of the amounts attributed, in respect of a taxation year, pursuant to an agreement described in the second paragraph and entered into by the corporations that are members of an associated group in the year is greater than the excess amount determined under that paragraph, the amount determined under subparagraph i of subparagraph *b* of the first paragraph in respect of each of those corporations for the taxation year is deemed, for the purposes of this section, to be equal to the amount obtained by multiplying that excess amount by the proportion that the amount that was attributed to the corporation in the agreement, in respect of the year, is of the aggregate of the amounts that were so attributed.

“**1029.8.36.167.3.** Where corporations are part, in a taxation year, of an associated group and where a corporation that is a member of that group fails to file with the Minister the agreement to which subparagraph i of subparagraph *b* of the first paragraph of section 1029.8.36.167.2 refers within 30 days after notice in writing by the Minister has been sent to such a corporation that such an agreement is required for the purposes of any assessment of tax under this Part or for the determination of another amount, the Minister attributes, for the purposes of this division, an amount to one or more of the corporations that are members of that group for the taxation year, which amount or the aggregate of which amounts, as the case may be, must be equal to the excess amount determined for the year under the second paragraph of section 1029.8.36.167.2, and, in such a case, the balance of the cumulative eligible expense limit of each of those corporations, for the year, is equal to the amount so attributed to it.

“**1029.8.36.167.4.** For the purposes of this division, the balance of a qualified partnership’s cumulative eligible expense limit for a particular fiscal period is equal to the amount by which $100,000,000 exceeds the aggregate of all amounts each of which is the qualified partnership’s eligible expenses, for a fiscal period that ends in the 48-month period preceding the beginning of the particular fiscal period, that are incurred after 25 March 2025 and in respect of which an amount is deemed to have been paid to the Minister under section 1029.8.36.169 or 1029.8.36.171.

“**1029.8.36.167.5.** For the purposes of this division, the balance of a joint venture’s cumulative eligible expense limit for a particular fiscal period of the joint venture is equal to the amount by which $100,000,000 exceeds the aggregate of all amounts each of which is the eligible expenses incurred after 25 March 2025 by a corporation or a partnership as a party to the joint venture, in a fiscal period of the joint venture that ends in the 48-month period preceding the beginning of the particular fiscal period and in respect of which an amount is deemed to have been paid to the Minister under any of sections 1029.8.36.168 to 1029.8.36.171.

For the purposes of this section, a joint venture is deemed to be a partnership whose fiscal period ends on 31 December of a calendar year.

For the purposes of this division, the share of a corporation for a taxation year, or of a partnership for a fiscal period, of the balance of a joint venture’s cumulative eligible expense limit is equal to

(*a*) in the case of a corporation,

i. where the corporation’s taxation year does not end on 31 December of a calendar year, the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture’s cumulative eligible expense limit for a fiscal period of the joint venture, a part of which is included in the taxation year, that the eligible expenses incurred by the corporation as a party to the joint venture in that part of the fiscal period are of the aggregate of the eligible expenses incurred by the corporation as a party to the joint venture in that fiscal period, or

ii. where the corporation's taxation year ends on 31 December of a calendar year, its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative eligible expense limit for the joint venture's fiscal period whose end coincides with the end of the corporation's taxation year; and

(*b*) in the case of a partnership,

i. where the partnership's fiscal period does not end on 31 December of a calendar year, the aggregate of all amounts each of which is the proportion of its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative eligible expense limit for the joint venture's fiscal period, a part of which is included in the partnership's fiscal period, that the eligible expenses incurred by the partnership as a party to the joint venture in that part of the joint venture's fiscal period are of the aggregate of the eligible expenses incurred by the partnership as a party to the joint venture in that fiscal period of the joint venture, or

ii. where the partnership's fiscal period ends on 31 December of a calendar year, its share, determined in accordance with the fourth paragraph, of the balance of the joint venture's cumulative eligible expense limit for the joint venture's fiscal period whose end coincides with the end of the partnership's fiscal period.

A corporation's or a partnership's share of the balance of a joint venture's cumulative eligible expense limit for a fiscal period of the joint venture is equal to the proportion of that amount that the eligible expenses incurred by the corporation or partnership, as the case may be, in that fiscal period as a party to the joint venture are of the aggregate of the eligible expenses incurred in the joint venture's fiscal period."

(2) Subsection 1, where it enacts sections 1029.8.36.167.2 and 1029.8.36.167.3 of the Act, applies to a taxation year of a corporation that begins after 25 March 2025.

(3) Subsection 1, where it enacts section 1029.8.36.167.4 of the Act, applies to a fiscal period of a partnership that begins after 25 March 2025.

(4) Subsection 1, where it enacts section 1029.8.36.167.5 of the Act, applies to a fiscal period of a deemed partnership, referred to in the second paragraph of that section, that begins after 25 March 2025.

102. (1) Section 1029.8.36.168 of the Act is amended

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

"**1029.8.36.168.** A qualified corporation for a taxation year, other than such a corporation referred to in the second paragraph of section 1029.8.36.170, that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, is deemed, subject to the fourth paragraph, to have paid to the Minister on the 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, determined by the corporation, of its eligible expenses for the year by whichever of the following rates applies to that portion of expenses for the year, to the extent that the aggregate of those portions of expenses is established subject to the third paragraph and does not include the portion, determined by the corporation, of its eligible 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 eligible expense limit:

(*a*) 10% in respect of the portion of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

(*a*.1) 12% in respect of the portion of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *f* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) by replacing "of the eligible expenses" in subparagraphs *b* and *c* to *e* of the first paragraph by "in respect of the portion of the eligible expenses";

(3) by replacing "of the eligible expenses" and "of paragraph *c*.0.1 or *c*.0.2" in subparagraph *b*.1 of the first paragraph by "in respect of the portion of the eligible expenses" and "of paragraph *c*.0.2", respectively;

(4) by inserting the following subparagraph after subparagraph *b*.1 of the first paragraph:

"(*b*.2) 20% in respect of the portion of the eligible expenses of the corporation for the year that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

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

"The total of the eligible expenses referred to in the first paragraph in respect of a corporation for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative eligible expense limit for the year exceeds the aggregate of all amounts each of which is its share of the portion of the eligible expenses that is referred to in the first paragraph of section 1029.8.36.169 or 1029.8.36.171 for the year and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.169 or 1029.8.36.171, as the case may be."

(2) Subsection 1 applies to a taxation year of a corporation that begins after 25 March 2025. In addition, where section 1029.8.36.168 of the Act applies in respect of expenses incurred after 25 March 2025 in a taxation year that begins before 26 March 2025,

(1) subparagraph *a* of its first paragraph is replaced by the following subparagraphs:

"(*a*) 10% of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

"(*a*.1) 12% of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *f* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) subparagraph *b*.1 of its first paragraph is amended by replacing "of paragraph *c*.0.1 or *c*.0.2" by "of paragraph *c*.0.2"; and

(3) the following subparagraph is inserted after subparagraph *b*.1 of its first paragraph:

"(*b*.2) 20% of the eligible expenses of the corporation for the year that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;".

103. (1) Section 1029.8.36.169 of the Act is amended

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

"**1029.8.36.169.** A qualified corporation for a taxation year that is a member of a qualified partnership, other than such a partnership referred to in the second paragraph of section 1029.8.36.171, at the end of a particular fiscal period of the partnership that ends in the year, and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, is deemed, subject to the fourth paragraph, to have paid to the Minister on the 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, determined by the corporation, of the partnership's eligible expenses for the particular fiscal period, by whichever of the following rates applies to that portion of expenses for the fiscal period, to the extent that its share of the aggregate of those portions of expenses is established subject to the third paragraph and includes neither its share of the portion, determined by the corporation, of the qualified partnership's eligible expenses for the particular fiscal period that exceeds the balance of the partnership's cumulative eligible expense limit for the particular fiscal period, nor its share of the portion, determined by the 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 eligible expense limit:

(*a*) 10% in respect of its share of the portion of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

(*a*.1) 12% in respect of its share of the portion of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *f* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) by replacing "of its share of the eligible expenses" in subparagraphs *b* and *c* to *e* of the first paragraph by "in respect of its share of the portion of the eligible expenses";

(3) by replacing "of its share of the eligible expenses" and "of paragraph *c*.0.1 or *c*.0.2" in subparagraph *b*.1 of the first paragraph by "in respect of its share of the portion of the eligible expenses" and "of paragraph *c*.0.2", respectively;

(4) by inserting the following subparagraph after subparagraph *b*.1 of the first paragraph:

"(*b*.2) 20% in respect of its share of the portion of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

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

"The total of all amounts each of which is a corporation's share of the eligible expenses that are referred to in the first paragraph for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative eligible expense limit for the year exceeds the total of the eligible expenses that are referred to in the first paragraph of section 1029.8.36.168 or 1029.8.36.170 and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.168 or 1029.8.36.170, as the case may be, and of its share of the portion of the eligible expenses that is referred to in the first paragraph of section 1029.8.36.171 for the year and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.171."

(2) Subsection 1 applies to a fiscal period of a partnership that begins after 25 March 2025. In addition, where section 1029.8.36.169 of the Act applies in respect of expenses incurred after 25 March 2025 in a fiscal period of a partnership that begins before 26 March 2025,

(1) subparagraph *a* of its first paragraph is replaced by the following subparagraphs:

"(*a*) 10% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

"(*a*.1) 12% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *f* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) subparagraph *b*.1 of its first paragraph is amended by replacing "of paragraph *c*.0.1 or *c*.0.2" by "of paragraph *c*.0.2"; and

(3) the following subparagraph is inserted after subparagraph *b*.1 of its first paragraph:

"(*b*.2) 20% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;".

104. (1) Section 1029.8.36.170 of the Act is amended

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

"**1029.8.36.170.** A qualified corporation for a taxation year that is described in the second paragraph and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000 is deemed, subject to the fifth paragraph, to have paid to the Minister on the 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, determined by the corporation, of its eligible expenses for the year by whichever of the following rates applies to that portion of expenses for the year, to the extent that the aggregate of those portions of expenses is established subject to the fourth paragraph and does not include the portion, determined by the corporation, of its eligible 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 eligible expense limit:";

(2) by replacing "of the eligible expenses" in subparagraphs *a*, *c*, *d* and *e* of the first paragraph by "in respect of the portion of the eligible expenses";

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

"(*a*.1) 22.5% in respect of the portion of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(4) by replacing "of the eligible expenses" and "paragraphs *a* to *b*" in subparagraph *b* of the first paragraph by "in respect of the portion of the eligible expenses" and "paragraphs *a*, *a*.0.2, *b*", respectively;

(5) by replacing "of the eligible expenses" and "of paragraph *c*.0.1 or *c*.0.2" in subparagraph *c*.1 of the first paragraph by "in respect of the portion of the eligible expenses" and "of paragraph *c*.0.2", respectively;

(6) by inserting the following subparagraph after subparagraph *c*.1 of the first paragraph:

"(*c*.2) 45% in respect of the portion of the eligible expenses of the corporation for the year that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

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

"The total of the eligible expenses referred to in the first paragraph in respect of a corporation for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative eligible expense limit for the year exceeds the aggregate of all amounts each of which is its share of the portion of the eligible expenses that is referred to in the first paragraph of section 1029.8.36.169 or 1029.8.36.171 for the year and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.169 or 1029.8.36.171, as the case may be."

(2) Subsection 1 applies to a taxation year of a corporation that begins after 25 March 2025. In addition, where section 1029.8.36.170 of the Act applies in respect of expenses incurred after 25 March 2025 in a taxation year that begins before 26 March 2025,

(1) subparagraph *b* of its first paragraph is replaced by the following subparagraphs:

"(*a*.1) 22.5% of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

"(*b*) 28% of the eligible expenses of the corporation for the year that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *e* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) subparagraph *c*.1 of its first paragraph is amended by replacing "of paragraph *c*.0.1 or *c*.0.2" by "of paragraph *c*.0.2"; and

(3) the following subparagraph is inserted after subparagraph *c*.1 of its first paragraph:

"(*c*.2) 45% of the eligible expenses of the corporation for the year that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;".

105. (1) Section 1029.8.36.171 of the Act is amended

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

"**1029.8.36.171.** A qualified corporation for a taxation year that is a member of a qualified partnership described in the second paragraph at the end of a particular fiscal period of the partnership that ends in the year, and that encloses the prescribed form containing prescribed information with the fiscal return it is required to file for the year under section 1000, is deemed, subject to the fifth paragraph, to have paid to the Minister on the 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, determined by the corporation, of the partnership's eligible expenses for the particular fiscal period, by whichever of the following rates applies to that portion of expenses for the fiscal period, to the extent that its share of the aggregate of those portions of expenses is established subject to the fourth paragraph and includes neither its share of the portion, determined by the corporation, of the qualified partnership's eligible expenses for the particular fiscal period that exceeds the balance of the partnership's cumulative eligible expense limit for the particular fiscal period, nor its share of the portion, determined by the 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 eligible expense limit:";

(2) by replacing "of its share of the eligible expenses" in subparagraphs *a*, *c*, *d* and *e* of the first paragraph by "in respect of its share of the portion of the eligible expenses";

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

"(*a*.1) 22.5% in respect of its share of the portion of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(4) by replacing "of its share of the eligible expenses" and "paragraphs *a* to *b*" in subparagraph *b* of the first paragraph by "in respect of its share of the portion of the eligible expenses" and "paragraphs *a*, *a*.0.2, *b*", respectively;

(5) by replacing "of its share of the eligible expenses" and "of paragraph *c*.0.1 or *c*.0.2" in subparagraph *c*.1 of the first paragraph by "in respect of its share of the portion of the eligible expenses" and "of paragraph *c*.0.2", respectively;

(6) by inserting the following subparagraph after subparagraph *c*.1 of the first paragraph:

"(*c*.2) 45% in respect of its share of the portion of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

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

"The total of all amounts each of which is a corporation's share of the eligible expenses that are referred to in the first paragraph for a taxation year may not exceed the amount that is the amount by which the balance of its cumulative eligible expense limit for the year exceeds the total of the eligible expenses that are referred to in the first paragraph of section 1029.8.36.168 or 1029.8.36.170 and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.168 or 1029.8.36.170, as the case may be, and of its share of the portion of the eligible expenses that is referred to in the first paragraph of section 1029.8.36.169 for the year and in respect of which the corporation is deemed to have paid an amount to the Minister for the year under section 1029.8.36.169."

(2) Subsection 1 applies to a fiscal period of a partnership that begins after 25 March 2025. In addition, where section 1029.8.36.171 of the Act applies in respect of expenses incurred after 25 March 2025 in a fiscal period of a partnership that begins before 26 March 2025,

(1) subparagraph *b* of its first paragraph is replaced by the following subparagraphs:

"(*a*.1) 22.5% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*.0.1, *c*.0.1 and *d*.1 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;

"(*b*) 28% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of any of paragraphs *a*, *a*.0.2, *b* and *e* of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;";

(2) subparagraph *c*.1 of its first paragraph is amended by replacing "of paragraph *c*.0.1 or *c*.0.2" by "of paragraph *c*.0.2"; and

(3) the following subparagraph is inserted after subparagraph *c*.1 of its first paragraph:

"(*c*.2) 45% of its share of the eligible expenses of the partnership for the particular fiscal period that constitute such expenses by reason of paragraph *d*.2 of the definition of "eligible expenses" in the first paragraph of section 1029.8.36.167, to the extent that the expenses are paid;".

106. (1) Section 1029.8.50 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 1029.8.50 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended, in the second paragraph,

(1) by inserting "in computing the individual's income" after "amount" in subparagraph *b*;

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

"(*c*) in respect of an individual who deducts an amount in computing the individual's income for a taxation year preceding the particular year under paragraph *d*.0.2 of section 336 as a repayment of a benefit referred to in the first paragraph."

(2) Paragraph 2 of subsection 1 applies from the taxation year 2019.

107. (1) The heading of Division II.11.2 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

"CREDITS GRANTING ALLOWANCES TO FAMILIES".

(2) Subsection 1 has effect from 1 July 2025.

108. (1) Section 1029.8.61.8 of the Act is amended by inserting the following definition in alphabetical order:

"“family allowance for bereaved parents” means an amount that an individual is entitled to receive under section 1029.8.61.31.2, the second paragraph of section 1029.8.61.31.3 or any of sections 1029.8.61.31.4 to 1029.8.61.31.6;".

(2) Subsection 1 has effect from 1 July 2025.

109. (1) The heading of subdivision 2 of Division II.11.2 of Chapter III.1 of Title III of Book IX of Part I of the Act is replaced by the following heading:

"§2. — *Credit granting a family allowance*".

(2) Subsection 1 has effect from 1 July 2025.

110. (1) The Act is amended by striking out the following before section 1029.8.61.28:

"§3. — *Payment and recovery by Retraite Québec*".

(2) Subsection 1 has effect from 1 July 2025.

111. (1) The Act is amended by inserting the following after section 1029.8.61.31:

"§2.1. — *Credits ensuring the maintenance of an allowance following the death of a child*

"**1029.8.61.31.1.** In this subdivision,

“excluded individual”, in relation to a child, means an individual who is found guilty of making an attempt on the child’s life;

“month of minority” of a child means a month at the beginning of which the child would have been under 18 years of age had the child not died.

"**1029.8.61.31.2.** Where an individual is entitled to receive, for a particular month, an amount in respect of a family allowance under section 1029.8.61.18 in respect of a child and that child dies in that month, the individual remains entitled, unless the individual is an excluded individual in relation to the child, to receive, for each month of minority of the child that is included in the 12-month period that follows the particular month and at the beginning of which the individual meets the conditions set out in the third paragraph (in this section and section 1029.8.61.31.3 referred to as the “eligible month”), an amount in respect of that child equal to the amount determined by the formula

A – B + C + D.

In the formula in the first paragraph,

(*a*) A is the amount that has been determined, under section 1029.8.61.18, in respect of the individual for the particular month in respect of a family allowance and paid to the individual in that month or a quarter including that month, other than the portion of that amount that is a supplement for the purchase of school supplies, where applicable;

(*b*) B is the amount that would have been determined, under section 1029.8.61.18, in respect of the individual for the particular month in respect of a family allowance and would have been paid to the individual in that month or a quarter including that month if the individual was not, at the beginning of that month, an eligible individual in respect of the deceased child, other than the portion of that amount that is a supplement for the purchase of school supplies, where applicable;

(*c*) C is

i. where no amount in respect of the supplement for handicapped children is included in respect of the deceased child in the amount described in subparagraph *a*, the amount to which that child entitles the individual, for the particular month, in respect of that supplement or 50% of that amount where section 1029.8.61.18.2 applies for the particular month in respect of the individual, provided that amount results from an application referred to in section 1029.8.61.19 filed with Retraite Québec

(1) before the child's death, or

(2) after the child's death and for which the time for filing has not been extended under section 1029.8.61.24.1, or

ii. in any other case, an amount equal to zero; and

(*d*) D is

i. where no amount in respect of the supplement for handicapped children requiring exceptional care is included in respect of the deceased child in the amount described in subparagraph *a*, the amount to which that child entitles the individual, for the particular month, in respect of that supplement or 50% of that amount where section 1029.8.61.18.2 applies for the particular month in respect of the individual, provided that amount results from an application referred to in section 1029.8.61.19.1 filed with Retraite Québec

(1) before the child's death, or

(2) after the child's death and for which the time for filing has not been extended under section 1029.8.61.24.1, or

ii. in any other case, an amount equal to zero.

The conditions to which the first paragraph refers are

(*a*) those mentioned in paragraphs *c* to *e* of the definition of "eligible individual" in section 1029.8.61.8; and

(*b*) the condition that the individual be a person who is not deceased.

The amount determined under the first paragraph in respect of the individual for an eligible month is deemed to be an overpayment of the individual's tax payable under this Part for that month.

Retraite Québec shall pay to the individual any amount determined in respect of the individual under the first paragraph at the same frequency as that applicable, under section 1029.8.61.28, for the payment of the amount that the individual is entitled to receive in respect of the child, for the particular month, in respect of a family allowance under section 1029.8.61.18.

This section applies to an individual only if the individual's entitlement to receive, for the particular month, an amount in respect of a family allowance in respect of the child is established following an application referred to in the first paragraph of section 1029.8.61.24 filed, or deemed to be filed, with Retraite Québec before the date of the child's death and, where the child died outside Québec, only if the individual notifies Retraite Québec of the child's death before the end of the twelfth month that follows the particular month.

"**1029.8.61.31.3.** The amount determined for an eligible month under the first paragraph of section 1029.8.61.31.2 in respect of an individual entitled to receive, for the month in which a child died, an amount in respect of a family allowance in respect of that child must be replaced by the product obtained by multiplying that amount by 50%, where

(*a*) immediately before the child's death, the individual has a cohabiting spouse who is an eligible individual in respect of the child and, at that time, each of them has a bond of filiation with the child;

(*b*) the individual and the person who was that cohabiting spouse (in this section referred to as the "other parent") are living separate and apart at the beginning of the eligible month;

(*c*) the eligible month is subsequent to the month in which Retraite Québec is notified of the change in the individual's spousal status under section 1029.8.61.26 or 1029.8.61.31.7; and

(*d*) the amount determined for the eligible month has not been paid to the individual.

If the individual files an application for a family allowance for bereaved parents with Retraite Québec before the end of the 12-month period that follows the month in which the child died and the individual is not an excluded individual in relation to that child, the other parent is entitled to receive, for each remaining month included in that period and at the beginning of which the individual meets the conditions set out in the third paragraph of section 1029.8.61.31.2, an amount in respect of the child equal to the product determined under the first paragraph.

The amount determined for a remaining month under the second paragraph in respect of the other parent is deemed to be an overpayment of that parent's tax payable under this Part for that month.

Retraite Québec shall pay to the other parent any amount determined in respect of that parent under the second paragraph according to the payment frequency applicable in respect of the individual under the fifth paragraph of section 1029.8.61.31.2.

For the purposes of subparagraph *b* of the first paragraph, two persons shall be considered to be living separate and apart at the beginning of an eligible month if they were living separate and apart at that time, because of a breakdown of their marriage, and the separation lasted for a period of at least 90 days that includes that time.

For the purposes of this section,

(*a*) a remaining month is a month that is subsequent to the month in which the application referred to in the second paragraph is filed with Retraite Québec and that is a month of minority of the child; and

(*b*) the first remaining month included in the 12-month period that follows the month in which the child died may not precede the first eligible month in respect of which the first paragraph applies.

"**1029.8.61.31.4.** Where no amount is determined under section 1029.8.61.31.2 in respect of an individual for a month of minority of a child included in the 12-month period that follows the month of the child's death solely because the individual does not meet, at the beginning of that month of minority, the condition mentioned in subparagraph *b* of the third paragraph of section 1029.8.61.31.2, the person referred to in the second paragraph is entitled to receive, for each remaining month included in that period and at the beginning of which the person meets the conditions set out in that third paragraph, an amount in respect of the child equal to the amount that would otherwise have been determined, for that month of minority, in respect of the individual, provided that person

(*a*) is not an excluded individual in relation to the child; and

(*b*) files an application for a family allowance for bereaved parents with Retraite Québec before the end of that period.

A person is referred to in this paragraph if

(*a*) the person is an eligible individual in respect of the child immediately before the child's death and, at that time, the person is the individual's cohabiting spouse and each of them has a bond of filiation with the child; and

(*b*) the person is still the individual's cohabiting spouse immediately before the individual ceases to be a person described in subparagraph *b* of the third paragraph of section 1029.8.61.31.2.

The amount determined for a remaining month under the first paragraph in respect of the person referred to in the second paragraph is deemed to be an overpayment of that person's tax payable under this Part for that month.

Retraite Québec shall pay to the person referred to in the second paragraph any amount determined in respect of that person under this section according to the payment frequency that would have been applicable in respect of the individual under the fifth paragraph of section 1029.8.61.31.2 if the individual had met the condition mentioned in subparagraph *b* of the third paragraph of that section.

In this section, "remaining month" means a month that is subsequent to the month in which the individual ceases to be a person described in subparagraph *b* of the third paragraph of section 1029.8.61.31.2 and that is a month of minority of the child.

"**1029.8.61.31.5.** Where no amount is determined under section 1029.8.61.31.2 in respect of an individual for a month of minority of a child included in the 12-month period that follows the month of the child's death solely because the individual does not meet, at the beginning of that month of minority, the condition set out in subparagraph *a* of the third paragraph of that section where that subparagraph refers to paragraph *c* of the definition of "eligible individual" in section 1029.8.61.8, the person referred to in the second paragraph is entitled to receive, for each remaining month included in that period and at the beginning of which that person meets the conditions set out in the third paragraph of section 1029.8.61.31.2, an amount in respect of the child equal to 50% of the amount that would otherwise have been determined, for that month of minority, in respect of the individual, provided that person

(*a*) is not an excluded individual in relation to the child; and

(*b*) files an application for a family allowance for bereaved parents with Retraite Québec before the end of that period.

A person is referred to in this paragraph if

(*a*) the person is an eligible individual in respect of the child immediately before the child's death and, at that time, the person is the individual's cohabiting spouse and each of them has a bond of filiation with the child; and (*b*) the person is still the individual's cohabiting spouse immediately before the individual ceases to meet the condition mentioned in paragraph *c* of the definition of "eligible individual" in section 1029.8.61.8.

The amount determined for a remaining month under the first paragraph in respect of the person referred to in the second paragraph is deemed to be an overpayment of that person's tax payable under this Part for that month.

Retraite Québec shall pay to the person referred to in the second paragraph any amount determined in respect of that person under this section according to the payment frequency that would have been applicable in respect of the individual under the fifth paragraph of section 1029.8.61.31.2 if the individual had met the condition mentioned in paragraph *c* of the definition of "eligible individual" in section 1029.8.61.8.

In this section, "remaining month" means a month that is subsequent to the month in which the application referred to in the first paragraph is filed with Retraite Québec and that is a month of minority of the child.

"**1029.8.61.31.6.** Where no amount is determined under section 1029.8.61.31.2 in respect of an individual for a particular month included in the 12-month period that follows the month of a child's death solely because the individual is an excluded individual in relation to that child, the person referred to in the second paragraph is entitled to receive, for each month of minority of the child that is included in that period and at the beginning of which that person meets the conditions set out in the third paragraph of section 1029.8.61.31.2 (in this section referred to as the "eligible month"), an amount in respect of the child equal to the amount that would have been otherwise determined, for the particular month, in respect of the individual, provided that person

(*a*) is not an excluded individual in relation to the child; and

(*b*) files an application for a family allowance for bereaved parents with Retraite Québec before the end of that period.

A person is referred to in this paragraph if

(*a*) the person is an eligible individual in respect of the child immediately before the child's death and, at that time, the person is the individual's cohabiting spouse and each of them has a bond of filiation with the child; and

(*b*) the person is still the individual's cohabiting spouse immediately before the individual becomes an excluded individual in relation to the child.

The amount determined under the first paragraph for an eligible month in respect of the person referred to in the second paragraph is deemed to be an overpayment of that person's tax payable under this Part for that month.

Retraite Québec shall pay to the person referred to in the second paragraph any amount determined in respect of that person under this section according to the payment frequency that would have been applicable in respect of the individual under the fifth paragraph of section 1029.8.61.31.2 if the individual had not been an excluded individual in relation to the child.

"**1029.8.61.31.7.** An individual shall notify Retraite Québec of any change in circumstances that may affect the individual's entitlement to receive, in respect of a deceased child, an amount under any of sections 1029.8.61.31.2 to 1029.8.61.31.6.

The individual shall notify Retraite Québec before the end of the month that follows the month in which the change in circumstances occurs.

The third paragraph of section 1029.8.61.26 applies, with the necessary modifications, to allow Retraite Québec to consider that a change in circumstances has been communicated to it.

In addition, for the purposes of subparagraph *c* of the first paragraph of section 1029.8.61.31.3, Retraite Québec may consider that a change in spousal status has been communicated to it if an application for a family allowance for bereaved parents has been filed with it under the second paragraph of that section.

"**1029.8.61.31.8.** Retraite Québec may suspend the payment of an amount that an individual is entitled to receive under any of sections 1029.8.61.31.2 to 1029.8.61.31.6 in respect of a deceased child on being informed that the individual has been charged with making an attempt on the child's life.

Retraite Québec shall give written notice of the suspension of payment, setting out the reasons for the suspension.

"**1029.8.61.31.9.** The first paragraph of section 1029.8.61.27, sections 1029.8.61.29 and 1029.8.61.30 and the first paragraph of section 1029.8.61.31 apply, with the necessary modifications, to this subdivision.

"§3.—*Recovery by Retraite Québec*".

(2) Subsection 1 applies in respect of a death occurring after 30 June 2025, except where it enacts the heading of subdivision 3 of Division II.11.2 of Chapter III.1 of Title III of Book IX of Part I of the Act, in which case it has effect from 1 July 2025.

112. (1) Sections 1029.8.61.32 and 1029.8.61.33 of the Act are amended by inserting "or family allowance for bereaved parents" after "family allowance".

(2) Subsection 1 has effect from 1 July 2025.

113. (1) Section 1029.8.61.35 of the Act is amended by adding the following paragraph at the end:

"Similarly, where, for a particular month, Retraite Québec has paid to an individual, as or on account of a family allowance for bereaved parents, an amount to which the individual was not entitled and that individual is the cohabiting spouse of another individual who was entitled to receive that amount, the other individual and the other individual's cohabiting spouse are solidarily liable in respect of the payment to Retraite Québec of that amount, to the extent that it may reasonably be considered that that amount relates to the application of any of sections 1029.8.61.31.2 to 1029.8.61.31.6 and that the individual was the other individual's cohabiting spouse at the time the payment was made."

(2) Subsection 1 has effect from 1 July 2025.

114. (1) Section 1029.8.61.36 of the Act is amended by inserting the following paragraph after the first paragraph:

"Similarly, Retraite Québec may allocate any amount to be paid, in relation to a deceased child, to an individual as or on account of a family allowance for bereaved parents for a particular month to the payment of either of the following amounts, and give the individual notice thereof:

(*a*) an amount of which the individual is a debtor as a consequence of the application, in relation to that child and during that child's lifetime, of the provisions of subdivision 2, if the individual does not have at least one other child in respect of whom the individual is entitled to receive an amount as or on account of a family allowance under section 1029.8.61.18; or

(*b*) an amount of which the individual is a debtor as a consequence of the application, in relation to that child and after that child's death, of the provisions of subdivision 2 while Retraite Québec was not notified of the death."

(2) Subsection 1 has effect from 1 July 2025.

115. (1) Section 1029.8.61.45 of the Act is amended, in the first paragraph,

(1) by inserting "or family allowance for bereaved parents" after "family allowance";

(2) by replacing "section 1029.8.61.18" by "any of sections 1029.8.61.18 and 1029.8.61.31.2 to 1029.8.61.31.6".

(2) Subsection 1 has effect from 1 July 2025.

116. (1) Section 1029.8.61.48 of the Act is amended by inserting "or family allowance for bereaved parents" after "family allowance" in subparagraphs *a* and *b* of the first paragraph.

(2) Subsection 1 has effect from 1 July 2025.

117. (1) Section 1029.8.61.49 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance”.

(2) Subsection 1 has effect from 1 July 2025.

118. (1) Section 1029.8.61.50 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance” in the first paragraph.

(2) Subsection 1 has effect from 1 July 2025.

119. (1) Section 1029.8.61.51 of the Act is amended by inserting “or family allowance for bereaved parents” after all occurrences of “family allowance”.

(2) Subsection 1 has effect from 1 July 2025.

120. (1) Section 1029.8.61.54 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance” in the first paragraph.

(2) Subsection 1 has effect from 1 July 2025.

121. (1) Section 1029.8.61.57 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance”.

(2) Subsection 1 has effect from 1 July 2025.

122. (1) Section 1029.8.61.59 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance” in the first paragraph.

(2) Subsection 1 has effect from 1 July 2025.

123. (1) Section 1029.8.61.60 of the Act is amended by inserting “or family allowance for bereaved parents” after “family allowance”.

(2) Subsection 1 has effect from 1 July 2025.

124. (1) Section 1029.8.61.96.17 of the Act is amended by replacing “determined under section 1029.8.61.96.12” by “determined under subparagraphs i and ii of paragraph *a* of section 1029.8.61.96.12 or paragraph *b* of that section”.

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

125. (1) Section 1029.8.67 of the Act, amended by section (*insert the number of the section of Bill 99 that amends section 1029.8.67 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by replacing the definition of "qualified educational institution" by the following definition:

""qualified educational institution" means

(*a*) an educational institution referred to in any of subparagraphs 1, 3 and 4 of subparagraph i of paragraph *a* of section 752.0.18.10; or

(*b*) an educational institution that is, at the time referred to in the portion of paragraph *b* of the definition of "child care expense" before subparagraph i, a recognized educational institution within the meaning of section 752.0.18.10.3."

(2) Subsection 1 applies from 1 January 2026.

126. (1) Section 1029.8.116.38 of the Act is amended by inserting "preceding the taxation year 2026" after "of a taxation year" in the portion before the formula in the first paragraph.

(2) Subsection 1 has effect from 25 March 2025.

127. (1) Section 1052 of the Act is amended by inserting "of paragraph *d*.0.2 of section 336," after "the application" in the portion before paragraph *a*.

(2) Subsection 1 applies from the taxation year 2019.

128. Section 1079.8.15.8 of the Act, enacted by section (*insert the number of the section of Bill 99 that enacts section 1079.8.15.8 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is amended

(1) by replacing the portion of paragraph *a* of the definition of "designated Québec entity" in the first paragraph before subparagraph i by the following:

"(*a*) a taxpayer that is either an individual resident in Québec at the end of the taxation year or a corporation that, in the taxation year, is resident in Canada and has an establishment in Québec, and that is not";

(2) by replacing paragraph *b* of the definition of "designated Québec entity" in the first paragraph by the following paragraph:

"(*b*) a partnership in respect of which

i. at least one of its members is either an individual resident in Québec at the end of the fiscal period or a corporation that, in that period, is resident in Canada and has an establishment in Québec, and

ii. 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;";

(3) by replacing subparagraphs *b* and *c* of the second paragraph by the following subparagraphs:

"(*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;

"(*c*) an interest in, or indebtedness of, a trust not resident in Canada that is a foreign affiliate of the person or partnership;";

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

"For the purposes of this Book, the following rules apply in determining whether a corporation or trust not resident in Canada is a foreign affiliate of a taxpayer resident in Canada or of a partnership:

(*a*) the first paragraph of each of sections 571 and 573 is to be read as if a partnership were a taxpayer resident in Canada;

(*b*) subparagraph *b* of the first paragraph of section 573 is to be read as if the reference to "any corporation" were a reference to "any corporation not resident in Canada"; and

(*c*) if the taxpayer is a member of one or more partnerships described in the fourth paragraph of which a corporation or trust not resident in Canada is a foreign affiliate, and the taxpayer does not have a direct or indirect interest, determined without reference to section 592.1, in the corporation or trust other than through the taxpayer's interest in the partnership, that corporation or trust is deemed not to be a foreign affiliate of the taxpayer.

A partnership to which subparagraph *c* of the third paragraph refers is one in respect of which the aggregate of all amounts, each of which is a share of the partnership's income or loss for the fiscal period concerned of any of the following members of the partnership, is less than 90% of that income or loss:

(*a*) a member that is not resident in Canada; or

(*b*) a member that is a taxpayer all of whose taxable income for the taxation year in which that period ends is exempt from tax payable under this Part.";

(5) by replacing "paragraph *b* of the definition of "designated Québec entity" in the first paragraph" in the third paragraph by "this section".

129. Section 1079.8.15.9 of the Act, enacted by section (*insert the number of the section of Bill 99 that enacts section 1079.8.15.9 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is amended by adding the following paragraph at the end:

"(*c*) the particular person's share of an amount, in respect of the given partnership for the given fiscal period, is deemed to be equal to the agreed proportion, in respect of the particular person for that fiscal period, of that amount."

130. Section 1079.8.15.10 of the Act, enacted by section (*insert the number of the section of Bill 99 that enacts section 1079.8.15.10 of the Taxation Act*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is amended by adding the following paragraph at the end:

"The first paragraph does not apply to an individual, other than a trust, for the taxation year in which the individual first becomes resident in Canada."

131. (1) Section 1086.21 of the Act is amended, in the second paragraph,

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

"(*b*) B is, where the particular taxation year referred to in section 1086.20 is the first taxation year included in a repayment period of the individual, an amount equal to zero and, in any other case, the aggregate of all amounts each of which is";

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

"(*d*) D is

i. where the particular taxation year referred to in section 1086.20 is the first taxation year included in a repayment period of the individual, the aggregate of all amounts each of which is

(1) an amount paid by the individual on the acquisition of replacement shares in the particular taxation year referred to in section 1086.20 or within 60 days after the end of that year, or

(2) an amount paid by the individual on the acquisition of replacement shares in a taxation year preceding the particular taxation year referred to in section 1086.20 or within 60 days after the end of that preceding year, other than a taxation year included in a participation period of the individual that ended before the particular taxation year referred to in section 1086.20, or

ii. in any other case, the aggregate of all amounts each of which is an amount described in subparagraph 1."

(2) Subsection 1 applies from the taxation year 2024.

132. (1) Section 1129.0.0.1 of the Act is amended by inserting "III.0.1.2," after "III.0.1," in the first paragraph.

(2) Subsection 1 has effect from 26 March 2025.

133. (1) The Act is amended by inserting the following Part after section 1129.0.10.10:

"**PART III.0.1.2**

"SPECIAL TAX RELATING TO THE CREDIT
FOR SCIENTIFIC RESEARCH, EXPERIMENTAL DEVELOPMENT
AND PRE-COMMERCIALIZATION

"**1129.0.10.11.** In this Part,

"contract payment" has the meaning assigned by section 1029.8.21.16.1;

"expenditure relating to pre-commercialization activities" has the meaning assigned by section 1029.8.21.16.1;

"expenditure relating to scientific research and experimental development activities" has the meaning assigned by section 1029.8.21.16.1;

"pre-commercialization activities" has the meaning assigned by section 1029.8.21.16.1;

"scientific research and experimental development" has the meaning assigned by section 1.

"**1129.0.10.12.** Every corporation that is deemed to have paid an amount to the Minister under section 1029.8.21.16.13 on account of its tax payable under Part I, for a particular taxation year, in respect of its expenditure relating to scientific research and experimental development activities for the particular year or of its expenditure relating to pre-commercialization activities for the particular year, shall pay the tax computed under the second paragraph for a subsequent taxation year (in this section referred to as the "repayment year") in which

(*a*) an amount relating to a particular expenditure included in the corporation's expenditure relating to scientific research and experimental development activities for the particular year or in the corporation's expenditure relating to pre-commercialization activities for the particular year is, directly or indirectly, refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation; or (*b*) a contract payment, government assistance or non-government assistance is received by a person or a partnership and the contract payment or assistance would have reduced, in accordance with subparagraph i or ii of paragraph *c* of section 1029.8.21.16.16, the amount of the corporation's expenditure relating to scientific research and experimental development activities for the particular year or its expenditure relating to pre-commercialization activities for that year, if the person or partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the corporation's filing-due date for the particular taxation year.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister for a taxation year preceding the repayment year, under any of sections 1029.8.21.16.13, 1029.8.21.16.17 and 1029.8.21.16.20, in respect of its expenditure relating to scientific research and experimental development activities for the particular year or its expenditure relating to pre-commercialization activities for the particular year, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year preceding the repayment year under any of sections 1029.8.21.16.13, 1029.8.21.16.17 and 1029.8.21.16.20, in relation to that expenditure, if

i. every amount that is so refunded, paid or allocated at or before the end of the repayment year, in relation to that expenditure, were refunded, paid or allocated in the particular year, and

ii. every contract payment, government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or a partnership at or before the end of the repayment year were received in the particular year; and

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

However, the tax payable under this section must be computed without reference to any amount relating to an expenditure of the corporation referred to in subparagraph *k* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 in respect of which section 1129.0.10.13 applies for the repayment year or applied for a preceding taxation year.

"**1129.0.10.13.** Every corporation that, in relation to a particular expenditure referred to in subparagraph *k* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, is deemed to have paid an amount to the Minister, under section 1029.8.21.16.13, for any taxation year, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the corporation's filing-due date for the taxation year preceding the particular year and during the period described in the third paragraph, all or substantially all of the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, or a major breakdown of the property, to be used solely in Québec for scientific research and experimental development or for pre-commercialization activities, as the case may be,

(*a*) by or on behalf of the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by or on behalf of a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under section 1029.8.21.16.13 or 1029.8.21.16.17, in relation to the particular expenditure for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.0.10.12, in relation to the particular expenditure, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by or on behalf of its first purchaser or by or on behalf of a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earliest of

(*a*) the last day of the property's expected useful life;

(*b*) the 730th day following the particular day; and

(*c*) the corporation's filing-due date for the particular taxation year.

"**1129.0.10.14.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.21.16.14, on account of its tax payable under Part I, for a particular taxation year, in respect of the partnership's expenditure relating to scientific research and experimental development activities for the partnership's particular fiscal period that ends in the particular year or of the partnership's expenditure relating to pre-commercialization activities for that particular fiscal period, shall pay the tax computed under the second paragraph for the taxation year in which a subsequent fiscal period of the partnership (in this section referred to as the "fiscal period of repayment") ends, within which

(*a*) an amount relating to a particular expenditure included in the partnership's expenditure relating to scientific research and experimental development activities for the particular fiscal period or in the partnership's expenditure relating to pre-commercialization activities for the particular fiscal period is, directly or indirectly, refunded or otherwise paid to the partnership or corporation, or allocated to a payment to be made by the partnership or corporation; or

(*b*) a contract payment, government assistance or non-government assistance is received by a person or another partnership and the contract payment or assistance would have reduced, in accordance with subparagraph i or ii of paragraph *c* of section 1029.8.21.16.16, the amount of the partnership's expenditure relating to scientific research and experimental development activities for the particular fiscal period or its expenditure relating to pre-commercialization activities for the particular fiscal period, if the person or the other partnership had received it, had been entitled to receive it or could reasonably have expected to receive it on or before the day that is six months after the end of the particular fiscal period.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that precedes the fiscal period of repayment ends, under any of sections 1029.8.21.16.14 and 1029.8.21.16.18 to 1029.8.21.16.20, in respect of the partnership's expenditure relating to scientific research and experimental development activities for the particular fiscal period or of the partnership's expenditure relating to pre-commercialization activities for the particular fiscal period, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment, exceeds the total of

(*a*) the aggregate of all amounts each of which is an amount that the corporation would be deemed to have paid to the Minister for a taxation year in which a fiscal period of the partnership that precedes the fiscal period of repayment ends, under any of sections 1029.8.21.16.14 and 1029.8.21.16.18 to 1029.8.21.16.20, in relation to that expenditure, if the agreed proportion in respect of the corporation for that preceding fiscal period were the same as that for the fiscal period of repayment and if

i. every amount that is so refunded, paid or allocated at or before the end of the fiscal period of repayment, in relation to that expenditure, were refunded, paid or allocated in the particular fiscal period, and

ii. every contract payment, government assistance or non-government assistance referred to in subparagraph *b* of the first paragraph that is received by a person or another partnership at or before the end of the fiscal period of repayment were received in the particular fiscal period; and

(*b*) the aggregate of all amounts each of which is a tax that the corporation would be required to pay to the Minister under this section, for a taxation year preceding the taxation year in which the fiscal period of repayment ends, in relation to that expenditure, if the agreed proportion in respect of the corporation for the partnership's fiscal period that ends in the preceding taxation year were the same as that for the fiscal period of repayment.

For the purposes of the second paragraph, an amount referred to in subparagraph i of subparagraph *a* of that paragraph that is refunded or otherwise paid to the corporation or allocated to a payment to be made by the corporation is deemed to be an amount

(*a*) that is refunded or otherwise paid to the partnership or allocated to a payment to be made by the partnership; and

(*b*) that is determined by multiplying the amount refunded, paid or allocated by the reciprocal of the agreed proportion in respect of the corporation for the fiscal period of repayment.

However, the tax payable under this section must be computed without reference to any amount relating to an expenditure of the partnership referred to in subparagraph *k* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4 in respect of which section 1129.0.10.15 applies for the fiscal period of repayment or applied for a preceding fiscal period.

"**1129.0.10.15.** Every corporation that is a member of a partnership and is deemed to have paid an amount to the Minister, under section 1029.8.21.16.14, for any taxation year, in relation to a particular expenditure referred to in subparagraph *k* of the first paragraph of section 1029.8.21.16.3 or 1029.8.21.16.4, shall pay, for a particular taxation year, the tax computed under the second paragraph where, at any time after the last day of the six-month period following the end of the partnership's fiscal period that ends in the taxation year preceding the particular year and during the period described in the third paragraph, all or substantially all of the property ceases, otherwise than by reason of its loss, the involuntary destruction of the property by fire, theft or water, or a major breakdown of the property, to be used solely in Québec for scientific research and experimental development or for pre-commercialization activities, as the case may be,

(*a*) by or on behalf of the first purchaser of the property, where the first purchaser owns it at the time referred to in the portion before this subparagraph; or

(*b*) by or on behalf of a subsequent purchaser of the property that acquired it in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) applies, where the subsequent purchaser owns it at the time referred to in the portion before subparagraph *a*.

The tax to which the first paragraph refers is equal to the amount by which the aggregate of all amounts each of which is an amount that the corporation is deemed to have paid to the Minister under any of sections 1029.8.21.16.14, 1029.8.21.16.18 and 1029.8.21.16.19, in relation to the particular expenditure for a taxation year preceding the particular year, exceeds the aggregate of all amounts each of which is a tax that the corporation is required to pay under section 1129.0.10.14, in relation to the particular expenditure, for a taxation year preceding the particular year.

The period to which the first paragraph refers is the period that begins on the particular day on which the property begins to be used by or on behalf of its first purchaser or by or on behalf of a subsequent purchaser that acquired the property in any of the circumstances in which section 130R149 of the Regulation respecting the Taxation Act applies and ends on the earliest of

(*a*) the last day of the property's expected useful life;

(*b*) the 730th day following the particular day; and

(*c*) the last day of the six-month period following the end of the partnership's fiscal period that ends in the particular year.

"**1129.0.10.16.** For the purposes of Part I, except Division II.4.1.1 of Chapter III.1 of Title III of Book IX, the following rules must be taken into consideration:

(*a*) the tax paid at any time by a corporation to the Minister under section 1129.0.10.12 or 1129.0.10.13, in respect of its expenditure relating to scientific research and experimental development activities or its expenditure relating to pre-commercialization activities, is deemed to be an amount of assistance repaid at that time by the corporation, in respect of that expenditure, pursuant to a legal obligation; and

(*b*) the tax paid at any time by a corporation to the Minister under section 1129.0.10.14 or 1129.0.10.15, in respect of the expenditure relating to scientific research and experimental development activities or the expenditure relating to pre-commercialization activities of a partnership referred to in that section, is deemed to be an amount of assistance repaid at that time by the partnership, in respect of that expenditure, pursuant to a legal obligation.

"**1129.0.10.17.** Unless otherwise provided in this Part, section 6, the first paragraph of section 549, section 564 where it refers to the first paragraph of section 549, sections 1000 to 1024, subparagraph *b* of the first paragraph of section 1027 and sections 1037 to 1079.16 apply to this Part, with the necessary modifications."

(2) Subsection 1 has effect from 26 March 2025.

134. (1) The heading of Part III.1.1.9 of the Act is replaced by the following heading:

"SPECIAL TAX RELATING TO THE CREDIT
FOR THE DEVELOPMENT OF E-BUSINESS INTEGRATING
ARTIFICIAL INTELLIGENCE FUNCTIONALITIES".

(2) Subsection 1 applies from 1 January 2026.

135. Sections 1129.12.35 and 1129.12.36 of the Act are amended by replacing the third paragraph by the following paragraph:

"The rate to which subparagraph i of subparagraph *b* of the second paragraph refers is

(*a*) 25% if the redemption or repayment complies with the requirements of section 7 of the Cooperative Investment Plan Act (chapter R-8.1.1) and the qualifying security was acquired before 1 January 2023;

(*b*) 23.75% if the redemption or repayment complies with the requirements of section 7 of the Cooperative Investment Plan Act and the qualifying security was acquired after 31 December 2022 and before 26 March 2025;

(*c*) 19% if the redemption or repayment complies with the requirements of section 7 of the Cooperative Investment Plan Act and the qualifying security was acquired after 25 March 2025; or

(*d*) 30% in any other case."

136. (1) Section 1129.27.4.1 of the Act is amended, in the definition of "annual limit amount",

(1) by replacing "*c* to *f*" in the portion of paragraph *b* before subparagraph i by "*c* to *j*";

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

"(*c*) $150,000,000, in respect of the capitalization period that begins on 1 March 2015 and ends on 29 February 2016 and the capitalization period that begins on 1 March 2025 and ends on 28 February 2026;";

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

"(*g*) $155,000,000, in respect of the capitalization period that begins on 1 March 2026 and ends on 28 February 2027;

"(*h*) $160,000,000, in respect of the capitalization period that begins on 1 March 2027 and ends on 29 February 2028;

"(*i*) $165,000,000, in respect of the capitalization period that begins on 1 March 2028 and ends on 28 February 2029; and

"(*j*) $170,000,000, in respect of the capitalization period that begins on 1 March 2029 and ends on 28 February 2030;".

(2) Subsection 1 has effect from 1 March 2025.

137. (1) Section 1129.27.4.2 of the Act is amended

(1) by inserting "and before 1 March 2025" after "2021" in the portion of subparagraph *f* of the first paragraph before the formula;

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

"(*g*) if the particular capitalization period begins after 28 February 2025, the amount determined by the formula

25% × (A – B).";

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

"In the formulas in the first paragraph,

(*a*) A is the paid-up capital of the class "A" shares of the capital stock of the Corporation issued during the particular capitalization period, except in the formula in subparagraph *g* of the first paragraph where it is the paid-up capital of the class "C" shares of the capital stock of the Corporation issued during the particular capitalization period; and".

(2) Subsection 1 has effect from 1 March 2025.

138. (1) The heading of Part III.6.2 of the Act is replaced by the following heading:

"SPECIAL TAX RELATING TO THE RECOVERY OF A TAX CREDIT FOR THE PURCHASE OF SHARES ISSUED BY CAPITAL RÉGIONAL ET COOPÉRATIF DESJARDINS".

(2) Subsection 1 has effect from 1 March 2025.

139. (1) Section 1129.27.5 of the Act is replaced by the following section:

"**1129.27.5.** In this Part,

(*a*) "individual subject to tax" means

i. in relation to a class "A" share of the capital stock of the Corporation, the individual referred to in section 776.1.5.0.11, or

ii. in relation to a class "C" share of the capital stock of the Corporation, the individual referred to in section 776.1.5.0.15.7;

(*b*) "Corporation" means the corporation governed by the Act constituting Capital régional et coopératif Desjardins (chapter C-6.1); and (*c*) a reference to a class “A” or class “C” share of the capital stock of the Corporation includes a reference to a fractional share of such a class.”

(2) Subsection 1 has effect from 1 March 2025.

140. (1) Section 1129.27.6 of the Act is amended

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

“**1129.27.6.** Subject to section 1129.27.7, where a share that is either a class “A” share of the capital stock of the Corporation or a class “C” share of that capital stock is redeemed or purchased by the Corporation less than seven years after its issue date, the individual subject to tax in respect of that share or, where applicable, the person to whom the share devolved as a consequence of the individual’s death is required to pay, for the taxation year in which the redemption or purchase is made, a tax under this Part equal to the amount determined by the formula”;

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

“i. the product obtained by multiplying by the percentage specified in the third paragraph the amount paid for the purchase of the share by the individual subject to tax in respect of the share, and”;

(3) by replacing subparagraphs *b* to *f* of the third paragraph by the following subparagraphs:

“(*b*) where the share referred to in the first paragraph is a class “A” share of the capital stock of the Corporation,

i. 50%, if the share was issued before 1 March 2014,

ii. 45%, if the share was issued after 28 February 2014 and before 1 March 2016,

iii. 40%, if the share was issued after 29 February 2016 and before 1 March 2018,

iv. 35%, if the share was issued after 28 February 2018 and before 1 March 2021, or

v. 30%, if the share was issued after 28 February 2021 and before 1 March 2025; or

“(*c*) where the share referred to in the first paragraph is a class “C” share of the capital stock of the Corporation, 25%.”

(2) Subsection 1 has effect from 1 March 2025.

141. (1) Section 1129.27.7 of the Act is amended

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

"**1129.27.7.** Section 1129.27.6 does not apply in respect of a class "A" or class "C" share of the capital stock of the Corporation that is redeemed or purchased by the Corporation under";

(2) by inserting "or section 776.1.5.0.15.7, as the case may be" after "776.1.5.0.11" in paragraph *b*.

(2) Subsection 1 has effect from 1 March 2025.

142. (1) The heading of Part III.6.5 of the Act is replaced by the following heading:

"SPECIAL TAX RELATING TO THE NON-REFUNDABLE TAX CREDIT FOR THE DEVELOPMENT OF E-BUSINESS INTEGRATING ARTIFICIAL INTELLIGENCE FUNCTIONALITIES".

(2) Subsection 1 applies from 1 January 2026.

143. (1) Section 1175.32 of the Act is amended

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

"i. an amount equal to the amount obtained by multiplying the appropriate percentage determined under the second paragraph by the aggregate of";

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

"i. an amount equal to the amount obtained by multiplying the portion of the net value of the assets forming part of the operator's system, for the operator's last fiscal period that ends in the preceding calendar year, that does not exceed $750,000,000 by

(1) where the calendar year precedes the year 2028, 0.75%, or

(2) where the calendar year is subsequent to the year 2027, the appropriate percentage determined under the second paragraph, and";

(3) by replacing subparagraphs i and ii of paragraph *c* by the following subparagraphs:

"i. 0.20% of the portion of the net value of the assets (other than assets attributable to the production of electric power that are not used mainly under a contract referred to in the third paragraph) forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that does not exceed $750,000,000,

"ii. 0.55% of the portion of the net value of the assets (other than assets attributable to the production of electric power that are not used mainly under a contract referred to in the third paragraph) forming part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year, that exceeds $750,000,000, and

"iii. an amount equal to the amount obtained by multiplying, by the appropriate percentage determined under the second paragraph, the portion of the net value of the assets that are attributable to the production of electric power and that form part of the operator's system for the operator's last fiscal period that ends in the preceding calendar year (other than the assets used mainly under a contract referred to in the third paragraph).";

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

"The percentage to which subparagraph i of subparagraph *a* of the first paragraph, subparagraph 2 of subparagraph i of subparagraph *b* of the first paragraph and subparagraph iii of subparagraph *c* of that paragraph refer is

(*a*) 0.70%, where the calendar year is the year 2027;

(*b*) 0.80%, where the calendar year is the year 2028;

(*c*) 0.90%, where the calendar year is the year 2029;

(*d*) 1.00%, where the calendar year is the year 2030;

(*e*) 1.10%, where the calendar year is the year 2031;

(*f*) 1.20%, where the calendar year is the year 2032;

(*g*) 1.30%, where the calendar year is the year 2033;

(*h*) 1.40%, where the calendar year is the year 2034; or

(*i*) 1.50%, where the calendar year is subsequent to the year 2034.

A contract to which subparagraphs i to iii of subparagraph *c* of the first paragraph refer is an electric power supply contract entered into between an operator and Hydro-Québec in respect of which the following conditions are met:

(*a*) the operator is not a subsidiary of Hydro-Québec;

(*b*) the contract is in force at any time in the operator's fiscal period referred to in any of those subparagraphs i to iii, as the case may be; and

(*c*) the contract is entered into on or before 25 March 2025 or has been the subject, on or before that date, of a prior agreement on the price of electricity.

For the purposes of the third paragraph, a contract that has been renewed or extended at any time after 25 March 2025 is deemed to be no longer in force from that time."

(2) Subsection 1 applies from the calendar year 2027.

144. (1) Sections 1175.33 and 1175.34 of the Act are amended by replacing "provided for in section" in the first and third paragraphs by "provided for in the first paragraph of section".

(2) Subsection 1 applies from 1 January 2027.

145. (1) Section 1175.39 of the Act is amended by replacing paragraphs *a* and *b* by the following paragraphs:

"(*a*) a municipality or municipal or public body performing a function of government in Canada; and

"(*b*) a corporation all of the shares of the capital stock of which, or a partnership all of the interests in which, are held, throughout its last fiscal period that ended in the calendar year that precedes the particular calendar year, by one or more of the following entities:

i. a municipality or municipal or public body performing a function of government in Canada,

ii. a corporation all of the shares of the capital stock of which are held, directly or indirectly through one or more corporations or partnerships, by one or more entities referred to in subparagraph i, and

iii. a partnership all of the interests in which are held, directly or indirectly through one or more corporations or partnerships, by one or more entities referred to in subparagraph i."

(2) Subsection 1 applies from the calendar year 2005.

(3) Despite subsection 3 of section 154 of the Act amending the Taxation Act, the Act respecting the Québec sales tax and other provisions (2022, chapter 23) and for the purpose of determining the refund to which a corporation or a partnership may be entitled, because of the application of subsections 1 and 2 of that section 154, for a calendar year in respect of which the corporation or partnership paid a public utility tax before 18 December 2021, and for the purpose of determining the refund to which a body may be entitled, because of the application of subsections 1 and 2 of this section, for a calendar year in respect of which the body paid a public utility tax before 26 March 2025, section 1051 of the Act is to be read as follows:

"**1051.** Where an operator has filed a fiscal return for a calendar year and has paid as a public utility tax, interest or a penalty for that year an amount greater than the amount that was exigible, the Minister may refund the overpayment to the operator if application is made for it by the operator on or before 30 June 2026."

(4) For the purpose of determining an amount of interest payable on an amount owed, because of the application of subsection 3, to a body, a corporation or a partnership for a calendar year in respect of which the body, corporation or partnership paid a public utility tax, section 1052 of the Act is to be read as follows:

"**1052.** Where the amount of an overpayment by an operator is refunded to, or applied to another liability of, the operator, interest thereon shall be paid to the operator for the period ending on the day the overpayment is refunded or applied, and beginning on the date on which an application for a refund is received by the Minister."

(5) Despite sections 1010 to 1011 of the Act, the Minister of Revenue shall, under Part VI.4 of the Act, make any assessments of an operator's public utility tax, interest and penalties as are necessary for any calendar year to give effect to this section.

(6) An operator exempt from the payment of the public utility tax because of the application of subsections 1 and 2 is required to file with the Minister of Revenue, for a calendar year, the return referred to in the second paragraph of section 1175.40 of the Act only from the calendar year 2025; for the calendar year 2025, the return must be filed with the Minister of Revenue on or before the last day of the time provided for, in respect of that operator, in the third paragraph of that section 1175.40 or, if that day precedes 30 June 2026, on or before 30 June 2026.

146. (1) The Act is amended by inserting the following section after section 1175.40:

"**1175.40.1.** Where a particular corporation or a particular partnership has paid tax under this Part for a particular calendar year, a municipality or municipal or public body performing a function of government in Canada that holds, throughout the last fiscal period of the particular corporation or particular partnership that ended in the calendar year preceding the particular calendar year, directly or indirectly through one or more other corporations or partnerships, a portion of the shares of the capital stock of the particular corporation or a portion of the interests in the particular partnership, as the case may be, is deemed, if the municipality or body, as the case may be, files with the Minister, for the particular calendar year, in the prescribed form a fiscal return containing prescribed information, to have paid to the Minister an amount equal to the proportion of the tax paid for the particular calendar year by the particular corporation or the particular partnership that the total of the voting shares in the capital stock of the particular corporation, or of the voting interests in the particular partnership, held, directly or indirectly, by the municipality or body, as the case may be, at the end of the last fiscal period, is of all the voting shares in the capital stock of the particular corporation or of all the voting interests in the particular partnership, at the end of that fiscal period.

For the purposes of the first paragraph, the following rules apply:

(*a*) if the interests in a partnership are non-voting, the partnership is deemed to be a corporation all the voting shares in the capital stock of which are owned by each member of the partnership in a proportion equal to the proportion that the member's share of the income or loss of the partnership for the fiscal period is of the income or loss of the partnership for that fiscal period, on the assumption that, if the income and loss of the partnership for that fiscal period are nil, the partnership's income for that fiscal period is equal to $1,000,000; and

(*b*) where it can reasonably be considered that the main purpose of the allocation, for a fiscal period, of the voting rights attached to shares of the capital stock of a corporation or to interests in a partnership, is to increase the amount that is deemed to be paid under this section by a municipality or municipal or public body performing a function of government in Canada, that allocation is deemed to be the one that is reasonable under the circumstances."

(2) Subsection 1 has effect from 1 January 2025.

147. (1) Section 1175.42 of the Act is amended by adding the following paragraph at the end:

"For greater certainty, where section 1005 applies in respect of an amount deemed to have been paid to the Minister by a municipality or municipal or public body performing a function of government in Canada, under section 1175.40.1, in respect of a tax referred to in this Part for a particular calendar year, it is to be read as follows:

"**1005.** The Minister shall, with dispatch, examine the fiscal return referred to in section 1175.40.1 sent to the Minister by a municipality or municipal or public body performing a function of government in Canada for a calendar year and assess any amount deemed to have been paid by that municipality or body under section 1175.40.1 for the year.""

(2) Subsection 1 applies from the calendar year 2025.

ACT RESPECTING THE SECTORAL PARAMETERS OF CERTAIN FISCAL MEASURES

148. (1) Section 1.1 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures (chapter P-5.1) is amended

(1) by replacing paragraphs 4 and 5 by the following paragraphs:

"(4) the tax credits for multimedia titles (general) provided for in sections 776.1.18.1 to 776.1.18.8 and 1029.8.36.0.3.8 to 1029.8.36.0.3.17 of the Taxation Act;

"(5) the tax credits for corporations specialized in the production of multimedia titles provided for in sections 776.1.18.9 to 776.1.18.16 and 1029.8.36.0.3.18 to 1029.8.36.0.3.26 of the Taxation Act;";

(2) by replacing paragraph 12 by the following paragraph:

"(12) the tax credits for the development of e-business integrating artificial intelligence functionalities provided for in sections 776.1.19 to 776.1.26 and 1029.8.36.0.3.79 to 1029.8.36.0.3.83 of the Taxation Act;".

(2) Paragraph 1 of subsection 1 has effect from 1 January 2025.

(3) Paragraph 2 of subsection 1 applies from 1 January 2026.

149. (1) The heading of Chapter V of Schedule A to the Act is amended by replacing "OF TAX CREDIT" by "OF TAX CREDITS".

(2) Subsection 1 has effect from 1 January 2025.

150. (1) Section 5.1 of Schedule A to the Act is amended by replacing the definition of "tax credit for multimedia titles" in the first paragraph by the following definition:

""tax credit for multimedia titles" means either of the following fiscal measures from which a corporation may benefit:

(1) the fiscal measure provided for in Title III.3.1 of Book V of Part I of the Taxation Act, under which the corporation may deduct an amount in computing its tax payable under that Part for a taxation year; or

(2) the fiscal measure provided for in Division II.6.0.1.2 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which the corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year;".

(2) Subsection 1 has effect from 1 January 2025.

151. (1) Section 5.2 of Schedule A to the Act is amended by replacing "the tax credit" in the first and second paragraphs by "a tax credit".

(2) Subsection 1 has effect from 1 January 2025.

152. (1) The heading of Chapter VI of Schedule A to the Act is amended by replacing "OF TAX CREDIT" by "OF TAX CREDITS".

(2) Subsection 1 has effect from 1 January 2025.

153. (1) Section 6.1 of Schedule A to the Act is amended by replacing the definition of "tax credit for corporations specialized in the production of multimedia titles" in the first paragraph by the following definition:

""tax credit for corporations specialized in the production of multimedia titles" means either of the following fiscal measures from which a corporation may benefit:

(1) the fiscal measure provided for in Title III.3.2 of Book V of Part I of the Taxation Act, under which the corporation may deduct an amount in computing its tax payable under that Part for a taxation year; or

(2) the fiscal measure provided for in Division II.6.0.1.3 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which the corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year;".

(2) Subsection 1 has effect from 1 January 2025.

154. (1) Section 6.2 of Schedule A to the Act is amended

(1) by replacing "the tax credit" in the first paragraph by "a tax credit";

(2) by replacing "from the fiscal measure" in the third paragraph by "from such a fiscal measure".

(2) Subsection 1 has effect from 1 January 2025.

155. (1) The heading of Chapter XIII of Schedule A to the Act is replaced by the following heading:

"SECTORAL PARAMETERS OF TAX CREDITS
FOR DEVELOPMENT OF E-BUSINESS INTEGRATING
ARTIFICIAL INTELLIGENCE FUNCTIONALITIES".

(2) Subsection 1 applies from 1 January 2026.

156. (1) Section 13.1 of Schedule A to the Act is replaced by the following section:

"**13.1.** In this chapter, "tax credit for the development of e-business integrating artificial intelligence functionalities" means either of the following fiscal measures from which a corporation may benefit:

(1) the fiscal measure provided for in Title III.4 of Book V of Part I of the Taxation Act, under which the corporation may deduct an amount in computing its tax payable under that Part for a taxation year; or

(2) the fiscal measure provided for in Division II.6.0.1.9 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which the corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year."

(2) Subsection 1 applies from 1 January 2026.

157. (1) Section 13.2 of Schedule A to the Act is amended

(1) by replacing "from the tax credit for the development of e-business" in the portion before subparagraph 1 of the first paragraph by "from a tax credit for the development of e-business integrating artificial intelligence functionalities";

(2) by replacing "the tax credit" in subparagraph 2 of the first paragraph by "that tax credit";

(3) by replacing "the tax credit" in the second paragraph by "such a tax credit".

(2) Subsection 1 applies from 1 January 2026.

158. (1) Section 13.3 of Schedule A to the Act is amended

(1) by replacing "5 and 7" in subparagraph 1 of the third paragraph by "5 to 7";

(2) by replacing "5 and 7 of the first paragraph of section 13.5" in subparagraph 2 of the third paragraph by "5 to 7 of that first paragraph";

(3) by adding the following subparagraphs at the end of the third paragraph:

"(3) the proportion of the corporation's gross revenue deriving from activities described in subparagraphs 5 to 7 of the first paragraph of section 13.5 that is attributable to applications developed by the corporation to be used exclusively outside Québec by an ultimate beneficiary that is a person or partnership not dealing at arm's length with the corporation; and

"(4) the proportion of the corporation's gross revenue deriving from activities described in subparagraphs 8 and 9 of the first paragraph of section 13.5 that is ultimately attributable to applications developed, in the course of activities described in subparagraphs 5 to 7 of that first paragraph, to be used exclusively outside Québec by an ultimate beneficiary that is a person or partnership not dealing at arm's length with the corporation.";

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

"For the purposes of subparagraphs 3 and 4 of the third paragraph, the person or partnership that directly or indirectly uses an application developed to be used outside Québec, not the customers of the person or partnership, is considered to be the ultimate beneficiary of the application."

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of a certificate issued to a corporation for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation makes the election referred to in paragraph 1 of subsection 2 of section (*insert the number of the section of this Act that amends section 13.12 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*); and

(2) 31 December 2025, in any other case.

(3) Paragraphs 3 and 4 of subsection 1 apply in respect of a certificate issued for a taxation year that begins after 31 December 2025.

159. (1) Section 13.4 of Schedule A to the Act is amended by striking out "and 7" in the first paragraph.

(2) Subsection 1 applies in respect of an application for a certificate that a corporation files for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation makes the election referred to in paragraph 1 of subsection 2 of section (*insert the number of the section of this Act that amends section 13.12 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*); and

(2) 31 December 2025, in any other case.

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

(1) by replacing "wholesaler-distributors" in subparagraph 3 of the first paragraph by "merchant wholesalers";

(2) by replacing "stores" and "443120" in subparagraph 4 of the first paragraph by "retailers" and "449212", respectively;

(3) by replacing “511210” in subparagraph 5 of the first paragraph by “51321”;

(4) by replacing “consisting in data processing, hosting and” in subparagraph 6 of the first paragraph by “carried on by computing infrastructure providers and consisting in data processing, web hosting, and”;

(5) by replacing “541510” in subparagraph 7 of the first paragraph by “54151” and by replacing “de services” in that subparagraph in the French text by “services”;

(6) by replacing “5 and 7” in subparagraph 2 of the second paragraph by “5 to 7”;

(7) by striking out the third paragraph.

(2) Paragraph 6 of subsection 1 applies in respect of an application for a certificate that a corporation files for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation makes the election referred to in paragraph 1 of subsection 2 of section (*insert the number of the section of this Act that amends section 13.12 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*); and

(2) 31 December 2025, in any other case.

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

(1) by striking out “and 7” in the portion before subparagraph 1 of the first paragraph;

(2) by replacing “5 and 7” in the following provisions by “5 to 7”:

— the portion of subparagraph 1 of the first paragraph before subparagraph *a*;

— subparagraph *a* of subparagraph 2 of the first paragraph;

— the portion of subparagraph *b* of subparagraph 2 of the first paragraph before subparagraph i;

— the third and fourth paragraphs;

(3) by inserting “and the third paragraph of section 13.3” after “In this section” in the portion of the sixth paragraph before subparagraph 1.

(2) Paragraphs 1 and 2 of subsection 1 apply in respect of an application for a certificate that a corporation files for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation makes the election referred to in paragraph 1 of subsection 2 of section (*insert the number of the section of this Act that amends section 13.12 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*); and

(2) 31 December 2025, in any other case.

(3) Paragraph 3 of subsection 1 applies in respect of a certificate issued for a taxation year that begins after 31 December 2025.

162. Section 13.10 of Schedule A to the Act is amended by striking out the third paragraph.

163. (1) Section 13.11 of Schedule A to the Act is amended

(1) by replacing "any of subparagraphs 2 to 4" in subparagraph 1 of the first paragraph by "subparagraph 2 or 4";

(2) by striking out "to the maintenance or evolution of such information systems or such technology infrastructures or" in subparagraph 2 of the first paragraph;

(3) by striking out the second and third paragraphs.

(2) Paragraphs 2 and 3 of subsection 1, except where that paragraph 3 strikes out the third paragraph of section 13.11 of Schedule A to the Act, apply in respect of an application for a certificate that a corporation files for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation makes the election referred to in paragraph 1 of subsection 2 of section (*insert the number of the section of this Act that amends section 13.12 of Schedule A to the Act respecting the sectoral parameters of certain fiscal measures*); and

(2) 31 December 2025, in any other case.

164. (1) Section 13.12 of Schedule A to the Act is amended

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

"(1) activities not primarily related to e-business integrating artificial intelligence functionalities to a significant extent;";

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

"For the purposes of subparagraph 1 of the first paragraph, a corporation's activities carried out by an employee of the corporation are deemed not to be related to e-business integrating artificial intelligence functionalities to a significant extent if their results must be integrated into property intended for sale or their purpose concerns the operation of such property.";

(3) by striking out the third and fifth paragraphs;

(4) by replacing "subparagraph 2 of the first paragraph" in the fourth paragraph by "paragraph 2";

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

"For the purposes of subparagraph 1 of the first paragraph, an activity is considered to be primarily related to e-business integrating artificial intelligence functionalities to a significant extent if the tasks an employee performs to carry it on are primarily related to e-business and relate to a mandate, project or product integrating artificial intelligence functionalities to a significant extent."

(2) Paragraphs 1 to 3 and 5 of subsection 1, except where that paragraph 3 strikes out the fifth paragraph of section 13.12 of Schedule A to the Act, apply in respect of an application for a certificate that a corporation files for a taxation year that begins after the date that applies to the corporation from among the following dates:

(1) 25 March 2025, where the corporation so elects in writing and files the election with Investissement Québec before the end of the ninth month following the corporation's filing-due date for its taxation year that begins after that date but before 1 January 2026; and

(2) 31 December 2025, in any other case.

165. Division IV of Chapter XIII of Schedule A to the Act, comprising section 13.14, is repealed.

166. (1) Section 1.1 of Schedule C to the Act is amended

(1) by replacing paragraph 4.1 by the following paragraph:

"(4.1) the refundable tax credit for university research and for research carried on by a public research centre or a research consortium, the tax credit for fees and dues paid to a research consortium and the tax credit for scientific research, experimental development and pre-commercialization provided for, respectively, in sections 1029.8.1 to 1029.8.7, 1029.8.9.0.2 to 1029.8.9.0.4 and 1029.8.21.16.1 to 1029.8.21.16.31 of the Taxation Act;";

(2) by replacing paragraph 11 by the following paragraph:

"(11) the tax credit for university research and for research carried on by a public research centre or a research consortium and the tax credit for scientific research, experimental development and pre-commercialization provided for, respectively, in sections 1029.8.1 to 1029.8.7 and 1029.8.21.16.1 to 1029.8.21.16.31 of the Taxation Act;".

(2) Subsection 1 has effect from 26 March 2025.

167. (1) The heading of Chapter VI of Schedule C to the Act is replaced by the following heading:

"SECTORAL PARAMETERS OF TAX CREDIT
FOR RESEARCH CARRIED ON BY RESEARCH CONSORTIUM,
OF TAX CREDIT FOR FEES AND DUES PAID
TO RESEARCH CONSORTIUM AND OF TAX CREDIT
FOR SCIENTIFIC RESEARCH, EXPERIMENTAL DEVELOPMENT
AND PRE-COMMERCIALIZATION".

(2) Subsection 1 has effect from 26 March 2025.

168. (1) Section 6.1 of Schedule C to the Act is amended by adding the following definition at the end:

""tax credit for scientific research, experimental development and pre-commercialization" means the fiscal measure provided for in Division II.4.1.1 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year."

(2) Subsection 1 has effect from 26 March 2025.

169. (1) Section 6.2 of Schedule C to the Act is replaced by the following section:

"**6.2.** To be recognized as an eligible research consortium, for the purposes of the tax credit for research carried on by a research consortium, the tax credit for fees and dues paid to a research consortium and the tax credit for scientific research, experimental development and pre-commercialization, a body must obtain a certificate in its respect (in this chapter referred to as a "consortium certificate") from the Minister."

(2) Subsection 1 has effect from 26 March 2025.

170. (1) Section 8.4 of Schedule C to the Act is amended by replacing "the design of industrially manufactured goods" by "a fashion design activity".

(2) Subsection 1 applies in respect of an application for a certificate filed for a taxation year or fiscal period that begins after 25 March 2025.

171. (1) Section 8.5 of Schedule C to the Act is amended

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

"Fashion design comprises all the creative activities that consist in determining the formal properties of clothing products, textile products or accessories intended for industrial production. It is an iterative process establishing a relationship between materials, cut and function to meet physiological requirements, industrial constraints and market conditions.";

(2) by striking out subparagraphs 1 and 3 of the third paragraph;

(3) by replacing subparagraph 4 of the third paragraph by the following subparagraph:

"(4) subject to the fourth paragraph, graphic design whose objective is to create visual communication objects, whether graphic artwork consisting in a written, figurative or symbolic representation of objects, facts or ideas, graphic artwork applied or printed on product packaging, or graphic artwork pertaining to business logos, advertising, identification codes, written care instructions and legally required notices such as the place of manufacture.";

(4) by replacing "an industrially manufactured goods design" and "either aesthetically or in terms of its functionality" in the fourth paragraph by "a fashion design" and "aesthetically", respectively.

(2) Subsection 1 applies in respect of an application for a certificate filed for a taxation year or fiscal period that begins after 25 March 2025.

172. (1) Section 8.8 of Schedule C to the Act is amended by replacing "an industrially manufactured goods design" in paragraph 2 by "a fashion design".

(2) Subsection 1 applies in respect of an application for a certificate filed to enable a corporation to benefit from the design tax credit for a taxation year that begins after 25 March 2025 or for a taxation year in which a partnership's fiscal period beginning after that date ends.

173. (1) Sections 8.10 and 8.12 of Schedule C to the Act are amended by replacing "the industrially manufactured goods design activities" in the portion before paragraph 1 by "the fashion design activities".

(2) Subsection 1 applies in respect of an application for a certificate filed to enable a corporation to benefit from the design tax credit for a taxation year that begins after 25 March 2025 or for a taxation year in which a partnership's fiscal period beginning after that date ends.

174. (1) The heading of Chapter XII of Schedule C to the Act is replaced by the following heading:

"SECTORAL PARAMETERS OF TAX CREDIT
FOR RESEARCH CARRIED ON BY PUBLIC RESEARCH CENTRE
AND OF TAX CREDIT FOR SCIENTIFIC RESEARCH,
EXPERIMENTAL DEVELOPMENT
AND PRE-COMMERCIALIZATION".

(2) Subsection 1 has effect from 26 March 2025.

175. (1) Section 12.1 of Schedule C to the Act is amended by adding the following definition at the end:

"“tax credit for scientific research, experimental development and pre-commercialization” means the fiscal measure provided for in Division II.4.1.1 of Chapter III.1 of Title III of Book IX of Part I of the Taxation Act, under which a corporation is deemed to have paid an amount to the Minister of Revenue on account of its tax payable under that Part for a taxation year."

(2) Subsection 1 has effect from 26 March 2025.

176. (1) Section 12.2 of Schedule C to the Act is replaced by the following section:

"**12.2.** In order for a person to benefit from the tax credit for research carried on by a public research centre or the tax credit for scientific research, experimental development and pre-commercialization, a public research centre must be recognized by the Minister as an eligible public research centre."

(2) Subsection 1 has effect from 26 March 2025.

177. (1) Section 6.7 of Schedule H to the Act is amended by replacing both occurrences of "the tax credit" in subparagraph 1 of the first paragraph by "a tax credit".

(2) Subsection 1 has effect from 1 January 2025.

ACT RESPECTING THE RÉGIE DE L'ASSURANCE MALADIE DU QUÉBEC

178. (1) Section 33 of the Act respecting the Régie de l'assurance maladie du Québec (chapter R-5) is amended by replacing paragraph *d* of the definition of "total payroll threshold" in the first paragraph by the following paragraphs:

"(*d*) $7,000,000 for the year 2022;

"(*e*) $7,200,000 for the year 2023;

"(*f*) $7,500,000 for the year 2024; and

"(*g*) $7,800,000 for a year subsequent to the year 2024;".

(2) Subsection 1 applies from the year 2026.

179. (1) Section 33.0.3.1 of the Act is repealed.

(2) Subsection 1 applies from the year 2026.

ACT RESPECTING THE QUÉBEC PENSION PLAN

180. (1) Section 45 of the Act respecting the Québec Pension Plan (chapter R-9) is amended by replacing subparagraph *a* of the first paragraph by the following subparagraph:

"(*a*) the worker's income for the year from pensionable employment, computed in accordance with the Taxation Act (chapter I-3), without reference to the provisions of that Act provided for in the fourth paragraph, plus any deductions made in such computation and minus the amount obtained by multiplying by 100/14 the amount deducted by the worker from the worker's tax otherwise payable for the year under section 752.0.10.0.11 of that Act;".

(2) Subsection 1 applies from the year 2026.

181. (1) Section 50 of the Act is amended by replacing subparagraph *a* of the fourth paragraph by the following subparagraph:

"(*a*) the base wages, within the meaning of section 1159.1 of the Taxation Act (chapter I-3), the employee receives for the year from pensionable employment, minus the amount obtained by multiplying by 100/14 the amount deducted from the employee's tax otherwise payable for the year under section 752.0.10.0.11 of that Act; and".

(2) Subsection 1 applies from the year 2026.

ACT RESPECTING THE QUÉBEC SALES TAX

182. Section 1 of the Act respecting the Québec sales tax (chapter T-0.1), amended by section (*insert the number of the section of Bill 99 that amends section 1 of the Act respecting the Québec sales tax*) of chapter (*insert the chapter number of that bill*) of the statutes of (*insert the year of assent to that bill*), is again amended by inserting "retirement" after "registered" in subparagraph *l* of paragraph 1 of the definition of "investment plan".

FUEL TAX ACT

183. (1) Section 10 of the Fuel Tax Act (chapter T-1) is amended by striking out subparagraph v of paragraph *b*.

(2) Subsection 1 applies in respect of biodiesel fuel acquired after 25 March 2025.

184. (1) Section 50.0.2 of the Act is amended by inserting the following paragraph before paragraph *a*:

"(0.*a*) "fuel" has the meaning assigned by regulation;".

(2) Subsection 1 has effect from 1 January 2024.

185. (1) Section 50.0.12 of the Act is amended by replacing "jurisdiction"" in paragraph 1 by "jurisdiction" and "fuel"".

(2) Subsection 1 has effect from 1 January 2024.

ACT TO GIVE EFFECT TO FISCAL MEASURES ANNOUNCED IN THE BUDGET SPEECH DELIVERED ON 12 MARCH 2024 AND TO CERTAIN OTHER MEASURES

186. (1) Section 10 of the Act to give effect to fiscal measures announced in the Budget Speech delivered on 12 March 2024 and to certain other measures (2024, chapter 41) is amended by replacing "section 999.3 or 999.3.1" in subsection 2 by "section 985.8.2".

(2) Subsection 1 has effect from 5 December 2024.

REGULATION RESPECTING THE TAXATION ACT

187. (1) Section 895R1 of the Regulation respecting the Taxation Act (chapter I-3, r. 1) is amended by replacing subparagraph 2 of subparagraph i of paragraph *a* by the following subparagraph:

"(2) at the time referred to in that paragraph *f* or *f*.1, as the case may be, a recognized educational institution within the meaning of section 752.0.18.10.3 of the Act, or".

(2) Subsection 1 applies from 1 January 2026.

188. (1) Section 1015R7 of the Regulation is amended by replacing the second paragraph by the following paragraph:

"The percentage to which subparagraph *d* of the first paragraph of section 1015R6 refers in relation to the acquisition of a qualifying security within the meaning of the Cooperative Investment Plan Act (chapter R-8.1.1) is

(*a*) 125% in the case of the acquisition of a qualifying security before 26 March 2025; or (*b*) 100% in the case of the acquisition of a qualifying security after 25 March 2025.”

(2) Subsection 1 has effect from 25 March 2025.

189. (1) Section 1079.1R2 of the Regulation is amended by replacing “or “B”” in subparagraph *i* of the second paragraph by “, “B” or “C””.

(2) Subsection 1 has effect from 1 March 2025.

190. (1) Section 1086R24 of the Regulation is amended

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

“(*a*) a share that is either a class “A” share of its capital stock that it issues to an individual in the period referred to in the first paragraph of section 776.1.5.0.11 of the Act in relation to the particular year or a class “C” share of its capital stock that it issues to an individual in the period referred to in the first paragraph of section 776.1.5.0.15.7 of the Act in relation to the particular year, except where, as the case may be,”;

(2) by replacing “and 776.1.5.0.15.4” in subparagraph *c* of the third paragraph by “, 776.1.5.0.15.4 and 776.1.5.0.15.7”.

(2) Subsection 1 has effect from 1 March 2025.

191. (1) The Regulation is amended by inserting the following section after section 1086R97:

“**1086R97.0.1.** Every educational institution that is situated in Québec and that is, at the end of a calendar year, a recognized educational institution within the meaning of section 752.0.18.10.3 of the Act must for the calendar year file an information return in prescribed form in respect of each person pursuing studies in the institution where the person is enrolled in the year.”

(2) Subsection 1 applies from the year 2027.

REGULATION RESPECTING THE APPLICATION
OF THE FUEL TAX ACT

192. (1) Section 50.0.2R1 of the Regulation respecting the application of the Fuel Tax Act (chapter T-1, r. 1) is replaced by the following section:

“**50.0.2R1.** For the purposes of Division IX.1 of the Act and of this division,

(*a*) “fuel” means fuel within the meaning of section R239 of the International Agreement; and (*b*) “base jurisdiction” means

i. the jurisdiction where the carrier has his principal establishment, or

ii. the jurisdiction where the carrier’s motor vehicle referred to in section 50.0.12R1 is most frequently assigned, stored, repaired or in any other manner controlled.”

(2) Subsection 1 has effect from 1 January 2024.

FINAL PROVISION

193. This Act comes into force on (*insert the date of assent to this Act*), except the provisions of sections (*insert the number of the sections of this Act that amend sections 595, 1079.8.15.8, 1079.8.15.9 and 1079.8.15.10 of the Taxation Act*), which come into force on the date of coming into force of section (*insert the number of the section of Bill 99 that enacts Book X.2.2 of Part I of the Taxation Act*) of the 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 (2025, chapter 27).